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World News

Wednesday August 3 1988

MOSCOW

INSIDE

Taking the rocky capitalist road

Page 16

PLO calls crisis talks on Jordan's W Bank move

THE PALESTINE Liberation Organisation, thrown off bal-ance by Jordan's decision to disengage from the West Bank, has called an emergency ses-sion of the Palestine National The state of the s Council, its supreme policy-making body.

The Palestinian parliamentin-exile is expected to meet within a month, probably in Baghdad, to review the latest development. Page 3

Karabakh deal Communist Party chiefs from Armenia and Azerbaijan . . . agreed to work together for the development of the disputed region of Nagorno-Kara-bakh. Page 2

Pact arms move The Warsaw Pact appeared over the status of nuclear : weapons in proposed new talks on conventional arms in

China each cuts The China Academy of Social Sciences says Government departments must cut spend-

Europe. Page 2

ing and stop meddling in the banking system, if the country's rapid growth rate is to be reined in. Page 2 Soviet risk money

A bank opened in Leningrad to provide risk capital for Soviet inventors. It aims to cut throughthe bureaucratic obstacles which impede the development of inventions into products, Page 2"

Seal AIDS threat

Humans could be the next victims of the AIDS-like filmess which has wiped out many of Sweden's seals, according to a Swedish doctor who says industrial pollution could be to blame for the plague. .

Cyprus optimism President George Vassiliou of Cyprus said that omens were good for a negotiated set-tlement of the island's division.

Gandhi death plot Documents found in the Golden Temple at Amritsar revealed a Sikh plot to kill Prime Minister Rajiv Gandhi.

Kenya switch Kenya's parliament voted unanimously to give the President greater control over the judiciary and to extend police

powers of arrest.

Contra aid split Congressional Democrats continued to wrestle over a new aid package for the Micaraguan Contra rebels, an issue which divides their party and their newly-forged presidential

'Stay East' plea A conservative West German politician made a controversial appeal for East Germans to stay at home and "change con ditions" there rather than emi-

grate to the West. Page 2 Oil poisons 400 Adulterated cooking oil paralysed more than 400 people and made thousands ill in Calcutta. So far 11 people have

Rio drug raid Gunmen led by a drug traf-ficker freed 10 prisoners in a dawn raid on a police station in a northern suburb of Rio de Janeiro.

Business Summary

Adsteam emerges as buyer of **Bell stake**

ADELAIDE STEAMSHIP. ADELAIDE STEAMSHIP
Australian holding company,
emerged as the holder of 11.44
per cent of Perth-based Bell
Resources, the asset-rich jewel
of Mr. Robert Holmes à Court's
dwindling corporate empire.
Adsteam, said it held 63.35m
shares in Bell Resources confirming widespread speculation
that the company was building
a stake in Bell, shares of which
have been heavily traded of
late. Page 17 late. Page 17

STRETLEY, UK construction materials group, purchased five connected Spanish compa-nies for a total of Pta5 19im (\$42m) to expand its Spanish aggregates interests, the first acquisitions it has made since it raised 268m (\$129.2) through a rights issue in June to fund overseas expansion. Page 17

FIAT acquired a 14 per cent stake in Labinal, French supplier of components to the car and serospace industries with which it has close links, it said the FFr400m (\$63.5m) purchase was defensive and that it had no hostile takeover intentions. Page 17.

LIBERTY MUTUAL Insurance Company, among the largest property-casualty insurance companies in the US, is taking a 15 per cent stake in Touche Remnant Holdings, the UK fund-management group and Britain's largest investment trust house, Page 17

COFFEE: Prices went into free fall again vesterday in both London and New York, On the London Futures and Options Exchange three-month robusta

Coffee 2nd Position Futures (E per tonne) ... 1300 1000 Territoria de la constantia del constantia de la constantia de la constantia della constantia della constant 900 1988 .-Jan

coffee closed almost £100 a tonne down after touching a seven-year low of £880 a tonne, compared with the previous close of £1,020. Page 32

BRIDGESTONE, Japanese tyre company buying Firestone Tire and Rubber of the US, signed a \$60m deal to purchase a 36 per cent stake in a tyre manufacturer in Turkey to use as a base for supplying Africa and the Middle East. Page 17

BAFSLUND NYCOMED, diversified Norwegian group with main interests in pharmaceuticals and energy, is seeking to increase the limit on the foreign ownership of its voting theres to 88.3 per cent from 20 per cent. Page 18:

VALMET, Finnish metal and engineering group, will become the country's first state owned company to be partly priva-tised through an issue consist-ing of 6.5m shares to domestic investors. Page 19

WHARF HOLDINGS, Hong Kong hotel, transport and pro-pertygroup controlled by Sir Yue-Kong Pao, announced a 24.2 per cent increase in profits to HK\$1.268bn for the year ended March 31, Page 19

STRMENS, West German electronics and electrical group, saw sales rise by 7 per cent to DM39.7bm (\$21.28bn) in the first nine months of the current basiness year ending September 30. Page 19

Britain to create new market in Ecu denominated bills

By Simon Holberton and Stephen Fidler in London

yesterday announced plans to repay \$2.5bm of foreign debt and to create a new market in and to create a new market in short-term Treasury bills denominated in European Currency Units, the hybrid currency created by the European Community in 1979.

The repayment of a \$2.5hn floating rate note, launched in September 1985, reflects that strength of Britain's foreign exchange reserves, which the

exchange reserves, which the Treasury said yesterday rose by an underlying \$910m in July to a record \$49.8hn.

The surprise move to issue Ecu bills was presented by the Treasury and the Bank of England as a concrete and practical step towards closer monetary co-operation and relations with its partners in the European Community. It follows recent criticism by Mrs Margaret Thatcher, the British Prime Minister, of "airy-fairy" notions of Euro-pean unity mooted by some Continental politicians and EC

officials. officials.

Mr Nigel Lawson, the Chancellor of the Exchequer, said the decision to issue Ecu bills "widens the options for manag-ing the UK's reserves and will

THE BRITISH Government establish London's position as yesterday announced plans to the centre of the Ecu market, which we wish to see develop further."

London, along with Paris and the Benelux countries, are the main centres for the growing Ecu financial market. The British move may encourage other European governments to follow suit UK officials said the issu-

ance of Ecu debt would also

give the anthorities another tactical weapon in foreign exchange market intervention. Late last year, the Government was criticised by the West German monetary authorities for the Bank of England's pur-chases of D-Marks in foreign exchange market intervention. The Ecu is a basket of 10 European currencies, including sterling, weighted according to economic importance and the currency's use in short-term finance. Yesterday, the D-mark accounted for 34.5 per cent of its value, the French franc for

18.6 per cent and sterling for 13.5 per cent. The Government plans to issue the first Ecu bills in autumn. The Ecu bills, issued at a discount with maturities of one, three and six months,

will be sold by monthly tender. Up to Ecu500m (\$555m) be offered at first with the total amount outstanding expected to expand to Eculba-2ba. A decision on the further expan-sion of the programme will be taken in light of its success. Yields on the bills are expec-

ted to be well below rates available on bank deposits, the only significant alternative for short-term Ecu investors. The main buyers of the bills are expected to be foreign cen-

tral banks and investment institutions. The lack of a large short-term bill market in Ecus is viewed as having hindered the development of a wider Ecu market, the existence of which could become more useful as a source of finance for companies. Ecu-denominated

bonds currently account for

only 4 per cent of outstanding international bonds, Ecu34bn. The early redemption of the floating rate notes in October, will be paid for by an already-executed \$1bm purchase of dol-lars in the forward foreign exchange market and by drawing down \$1.5hn from the for-

Pretoria takes initiative in Angola talks

and Anthony Robinson in Johannesburg

SOUTH AFRICA yesterday took the initiative at the Geneva peace talks on southern Africa and offered independence for Namibia on June 1 next year, provided Cuba withdraws its 45,000 troops from Angola by the same date.

The other condition, set out in an unexpected announcement in Pretoria by Mr Pik Botha, South Africa's Foreign Minister, was that Angola agree to close camps inside its territory holding an estimated 9,000 guerrillas of the African National Congress National Congress.

Mr Botha also called for a ceasefire to begin a week today, and restrictions by Angola on activity by guerri-las of the South West Africa People's Organisation, fighting for the independence of Nami-

The offer, described by Mr Botha as a "comprehensive peace proposal," was put yes-terday to the Angolan and Cuban delegations at talks chaired by Dr Chester Crocker, the US Assistant Secretary of State for Africa.

Although the move is the clearest and most categorical assertion of South Africa's willassertion of South Africa's will-ingness to end its control of sanctions, Page 16

Namibia and allow internationally supervised independence elections, it seems unlikely that Cuba and Angola will

Both governments believe that a Cuban presence may be necessary for at least two years in view of the threat to security posed by Unita, the Angolan rebel movement. The Cubans would also be seen as necessary counterweight to South African influence until the new Namibian government was firmly established.

Pretoria's new offer came as Cuba and Angola were prepar-ing a counter-proposal, shortening the four-year timetable for a phased Cuban withdrawal they set out earlier this year probably by up to two years.
 A shorter period would leave the Luanda Government vul-

nerable to the Unita rebel movement, led by Dr Jonas Mr Botha said UN Resolution 435, which envisages interna-tionally supervised elections in Namibia, monitored by a 7,500 -strong UN task force, would take take effect from November 1.

Hitch in Gulf peace talks after UN and Iraq clash

By Andrew Gowers, Middle East Editor, in New York

UNITED NATIONS talks on ending the Gulf war appeared to be running into serious trou-ble last night as the UN Secretary-General and a senior Iraqi representative clashed over plans for an early cease-

Mr Javier Perez de Cuellar signalled that he may amounce the date for a cessefire without the agreement of iraq, but Baghdad responded yesterday by vowing that it would not accept any imposed peace moves before Iran agreed to direct talks on a comprehensive settlement to the conflict. Mr Riyad al-Qaysl, a member of the Iraqi delegation in New York, told reporters: "We will not accept a fait accompli, no matter from what quarter it comes. If anyone is harbouring any illusions that Iraq will accept a fait accompli he should realise that he is committing a serious mistake and doing grave damage to the

A clearly ratiled Mr Perez de Cuellar hit back minutes later by saying: "I don't know whether he (Mr al-Qaysi) understood what he was saying," and issuing a personal appeal to President Seddam. Husseln to accept the current peace moves. "I know President Seddam appear in the current peace moves." · Saddam Ht trust very much his wisdom," he said. I have noted that he is very much interested in a peaceful solution."

The UN talks have been stalled for several days over Iraq's demand for a direct meeting with Iran prior to a ceasefire. In the three meetings he has held with Mr Perez de Cuellar so far, Mr Tariq Aziz, the Iraqi Foreign Minister, has refused to negotiate on a ceasefire and sists that he regards face to face talks as an essential test of Iran's sincerity. Mr Ali Akbar Belayati, his

Iranian counterpart, has

agreed in principle to direct talks, but only once a ceasefire is in place. Iraq takes this as evidence for its suspicion that Iran is merely trying to buy time through a temporary truce rather than seeking a dorable peace.

They (the Iranians) have not committed themselves to a peace. Peace has to be made between Iran and Iraq and not between Iran and the United Nations," said Mr al-Kaysi, who denied that Iraq was set-ing preconditions but also implicitly accused the UN of failing to adopt an even-handed approach. The apparent impasse led Mr

Perez de Cuellar to turn up the pressure on Monday night by saying he could announce the ceasefire "independent of (warring) parties," after he received Continued on Page 16

Editorial comment, Page 14

Bundesbank raises repo rate to 4.25%

By David Goodhart in Bonn, Halg Simonian in Frankfurt and Ralph Atkins in London

WEST GERMANY'S central bank, the Bundesbank, yester-day continued its step-by-step increase in West German interest rates by raising the rate for securities repurchase agreements (repos) to 4.25 per cent from 4.00 per cent.

The move, which followed last week's decision to increase ing rate to 5 per cent from 4.5 per cent, is part of a strategy aimed at maintaining the value of the D-Mark against the dollar and keeping domestic inflation at bay.

The dollar continued to be

underpinned by confidence in the US economy and specula-tion that interest rates will remain firm because of infla-

tionary pressures.
In London the D-Mark strengthened fractionally against the dollar, ending at DM1.8755 against the previous close of DM1.8765. However, the Bundesbank interest rate

rise was in line with expectations and had only a modest

impact on trading. Confidence was reinforced by figures for US leading indicators and factory orders released yesterday which suggested the economy is still growing quickly. In early New York trading

the dollar showed a rise against the D-Mark. By lunchtime if was trading at DM1.8730 against DM1.8690 at Monday's The rise in the repo rate

coincided with news that the West German Government had again revised upwards its GNP growth estimate for 1988 and taken a swipe at the prophets

of economic gloom.

Based on higher than expected industrial production figures for June, Mr Martin Bangemann, Economics Minister, predicted that GNP growth would be between 2.5 and 3 per Continued on Page 16



Carlucci wins his wings in Moscow

By John Lloyd in Moscow

THE US Defence Secretary and his aides yesterday saw more Soviet military technology in a day then any American politi-cians or military officers have seen for nearly four decades.

Mr Frank Carlucci sat in the cockpit of the Blackjack bomber (equivalent to the US B-1), watched Soviet troops from the crack Taman regi-ment "attack" each other with great ferocity, watched the new MiG-29 fighter manoeuvre, saw the huge Mi26 helicopter land and inspected the Taman's kitchens.

In a previous existence as deputy director of the Central Intelligence Agency, Mr Carlucci had spent millions of dol-lars and risked lives trying to get fuzzy pictures of this kind of stuff. Yesterday, he told a press conference in the US embassy, he sat in the Blackjack's cockpit to hear a Soviet

pilot answer his questions "promptly and fully."
As he was inspecting the Soviet hardware, a 44-year-old British tank rumbled through Leningrad. The tank, a Second World War victor, was a gift to commemorate Anglo-Soviet alliance during the war and a response to an earlier gift from the Soviet Union of a veteran IS2 tank.
Mr Carlucci praised the

"remarkable candour and openness" which characterised his visits to the air force and army bases. He also spent four hours with his counterpart, Mr Dimitry Yazov. On Monday, Mr Carlucci expressed US doubts about the sincerity of Soviet claims to hold a purely defen-sive military posture. He said yesterday: "It is clear that they are still grappling with what is a defensive doctrine and how many resources should go info

Mr Carlucci said "the fact that we are having talks does not mean all the problems have been solved. It behoves us Continued on Page 16

Argentina announces austerity plan as interest fears grow

By Gary Mead in Buenos Aires and Stephen Fidier in London

ARGENTINA GENTINA yeaterday ased details of its new austerity plan, involving sharp rises in charges for state services and cuts in spending, as doubts grew about the country's ability to meet interest payments on its \$55m foreign debt.

be in response to pressure from the International Monetary Fund to cut public spending and bring inflation down from a level of over 20 per cent a Argentina has fallen between \$850m and \$500m in

arrears on interest payments to commercial banks, bankers said yesterday. Many payments to banks are already more than 90 days overdue. When this happens banks in the US are required to downgrade their Argentine loans and set aside extra provisions against them.

Mr William Rhodes, Citibank's chief negotiator, who heads the Argentine bank advi-sory committee, said the committee would meet next week. The International Monetary

Fond has cancelled the two remaining tranches, totalling SDR380m (\$450m), of loans under an agreement signed last year, and this also means that a. \$150m disbursement from mercial banks, linked to the IMF disbursements, will not now be made, contributing to a severe short-term need for

Even if governments led by the US-Secretary of State George Shultz is in Buenos Aires today - managed to put together a bridging loan to dig the country out of its short-term difficulties, there is the question of what financing the bridge would be built to.

business table

\$1.2bm in a new standby credit from the IMF, and a letter of intent about this may be in place in two to three weeks. But such funds would not be available until well into the autumn_

Argentina has badly missed the inflation targets under the previous IMF package, and the IMF executive board has been demanding strong early action before any new agreement can

Under the new plan, consumers of public utilities face immediate price increases of 30 per cent for electricity, gas, welfare deductions, telephones and fuel oils. The Government has declared that it will not raise public sector prices for a further two months.

To cushion the effect of the

increases the Government has also increased salaries for state The country is seeking employees by 25 per cent

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MARKETS

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Why Bonn's secrets are not so secret as secrets elsewhere



Gerhard Boeden, head of the West German

The Heads Prem's departure tests the politiclans' mettle. Technology: The non-stop route towards a smart card for cars .. The EC and dumpings Stretching the Gatt to its limit . Editorial comments The ECU steps forward; Chilling words from the UN ... Long-term unemployed: How business can tap the wasted potential ... Lexi ECUs; currencles; Touche Remnant; securitisation ..

Germany: A divided land unites around the

Observer
Raw Materials
Stock Materials
-Wall Street
-London Financial Futures Intl. Capital Markets Lex Management ... Money Markets

CONTENTS STOCK INDICES

counter-intelligence service, is much more approachable than his title might suggest. The door to his office is always open Page 15

3-month Interbank: close 10 (2 (seme)

Y132.90 (132.75) New York 2pm; Comes Dec \$442,55(445.5) Lon: \$493.25(433.95)

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Companies -World Trade

Arts Reviews . World Guide Commercial Law Commodities Ecitorial Co

Technology . Unit Trusts ... Westher World Index

By Judy Dempsey in Vienna EAST-WEST differences about the mandate for proposed new talks on conventional arms in Europe have narrowed significantly over the past week, with the Warsaw Pact making what

appears to be a concession over the status of nuclear weapons in the talks. The revision in the Pact's stance should facilitate agreement on a mandate for conventional stability talks (CST) when negotiators, who are

expected to hreak np for a recess this week, reconvene in The issue centres on what

kinds of weapons systems should be included in the CST. When, in July 1987, the North Atlantic Treaty Organi-sation (Nato) put forward its draft mandate, it stipulated that "nuclear weapons will not be and will not become subject to negotiation." The Warsaw. Pact, however, insisted that "dual-capable" systems (carry-ing either nuclear or conventional warheads) be included in

The Pact reportedly argued thet Nato's proposed "nuclear exclusion" clause could be used by the West to exclude

certain types of basically conventional systems.

In an attempt to break the deadlock, Nato last month effect that such a clause would

The Soviet Union'e response to the Nato clause appears to represent a significant break-The latest formula makes no explicit reference to the inclu-sion of dual-capable systems in

the CST. The Soviet side'e current for-mula states: "No conventional armaments or equipment will be excluded from the subject of the negotiations because they can use other charges in addi-tion to conventional ones. Nuclear charges are not included in these negotia-

signs, the two sides remain far apart on which parts of Turkey the CST would cover.

Nato is proposing that certain parts be excluded on grounds of their proximity to non-European countries, such as Syria, Iran and Iraq. The Pact wants all Turkey

Despite these encouraging

Both sides are now working on a compromise paper which could possibly envisage a "cor-ridor" in Turkey which would be left out of any arms reduc-

Apart from the "dual-capa-ble" issue and the question of the geographical zone, the CST
- which would group 16 Nato
and seven Warsaw Pact countries - cannot begin before agreement is reached in related negotiations, also taking place in Vienna, between the 35 nations which take part in the Conference on Security and Co-operation in Europe (CSCE).

Belgium in

debt relief

agreement

THE BELGIAN Government

yesterday signed a debt relief agreement with leading domes-tic institutional investors, who

have agreed to take payment of BFr28bn (£411m) worth of

interest due on public debt

next year in new Treasury

The refinancing move was clearly foreshadowed in the May agreement establishing the latest five-party ruling coalition led by Prime Minister Wilfried Martens, as part of a

BFr80bn reduction in spending

to bring the public sector bor-rowing requirement back down

to 10 per cent of GNP.

To reach this goal, Mr Hugo Schiltz, the new Budget Minister, has since warned that the

Government may have to save up to BFr116bn in outlays.

cials said yesterday it was now up to other ministries to make

the extra effort. They pointed

out that they had succeeded in refinancing more interest pay-ments than the BFr20bn-

BFr25bn stipulated in the May

governmental agreement. Belgium has the second

highest level (behind Ireland) of public debt in the European Community, amounting to 133.5 per cent of GNP last year,

and the highest level of interest payments on that debt

amounting to 10.6 per cent of

GNP. Successive governments

and the Organisation for Eco-

nomic Co-operation and Devel-opment, have warned of the

"snowball effect" of interest payments, undermining the impact of public spending cuts.

to take payment of BFr108bn worth of interest owed between

1986 and 1990 in the form of

new Treasury bonds. In the early 1980s the Government

had to borrow at very high

Yesterday's agreement is effectively an extension of a 1986 accord, whereby Belgian institutional investors agreed

But Finance Ministry offi-

By David Buchan in

By Andrew Taylor, Construction Correspondent FRENCH contractors and

are about two years ahead of British and West German companies in preparing to take advantage of the creation in 1992 of a single European Com-munity market, according to a report published by accountants Touche Rose published

Industrial Market Research which carried ont the study

Touche Ross said only 15 per cent of UK construction com-panies had any plans for 1992, compared with around 50 per cent of French companies. The West German construction industry appeared to be even

man companies had only become aware in the past year of the single European marke while most French ones had been preparing for three years. French companies were try-ing to maximise the benefits of this lead by lobbying the French Government not to

single market marketing departments which were "lacking in personnel with knowledge of local languages and cultures".

Line managers in France was being involved in making in personnel.

help them win export orders British building standards and regulations, however, were generally higher than those in France. .The construction boom in

Britain had led to an increase in building material imports These had allowed Continental companies to establish a base in the UK

als imported from other EC countries into Britain was presently twice that of British' building materials exported to the Community.Copies free on request from: Touche Ross, Hill House, 1 Little New Street, London EC4A 3TR.

Yugoslav prices rise Yugoslav prices rose 11.2 per cent last month, against a 21.1 per cent June increase which came in the immediate afterprice liberalisation, Aleksan-dar Lebl reports. However, it has become clear that there is no hope of meeting a target of bringing the annual rate down

UK building industry trails in **1992 plans**

building material companies

interviewed more than 30 Brit-ish. French and West German contractors building material suppliers and specifiers to find out what plans they had to take advantage of an EC con-struction market with com-bined sales of £260bn. It also spoke to Government bodies and trade associations in the three countries

less prepared than that of the UK, said the study. Most British and West Ger-

allow any slippage in the date set for the introduction of the

It said UK construction com panies fell down badly in their

were being involved in making plans for 1992; in Britain planning responsibility had got no further than board directors West Greman construction companies had introduced no formalised planning for 1992.

French companies had also been quicker off the mark to forge co-operation agreements and joint ventures designed to

The value of building materi-

math of an IMF-sponsored to 90 or 95 per cent in Decem-

Miti puzzle over support for alloy project

OVERSEAS NEWS

CONSORTIUM of Japa-nese companies is plan-ning a seven-year independent project to develop aluminium lithium alloys, met-als which have considerable als which have considerable potential in aerospace applications, apparently with the support of the Ministry of International Trade and Industry.

This is a very surprising move because aluminium lithium development is already highly advanced in the UK and elsewhere in Europe and North

ngny advanced in the O.K. and elsewhere in Europe and North America. In the past, Japan has been willing and eager to take out licenses on new tech-nologies rather than carry out

Moreover, under a new Miti policy established earlier this year, Japanese companies are being encouraged to harmonise important industrial developments with those taking place elsewhere, so as to avoid the kind of international trade frictions that have emerged recently in the semiconductor and other high technology

But in this case, the Japanese seem determined to go it alone. One possible explana-tion is the strong desire in certain Government and indus-trial circles to build up a totally independent aerospace capability, not least for making military equipment. Two of the country's largest military contractors are participating in the aluminium lithium project. A Miti official denied that the ministry was involved in the project in any way. How-ever, an official of a leading Japanese aluminium company said that although it had opposed the project, it had been pressured by Miti to par-

ticipate in it.
The alloying of lithium with aluminium results in metals that provide greater strength than ordinary aluminium alloys and less weight. Used in aircraft and rocket manufac-ture, they thus offer increased payloads. However, the production technology for aluminium lithium has been very difficult to develop because of lithium's highly volatile nature.

The acknowledged world leader in this field is British Alcan Aluminium, which began development in co-opera-tion with the Royal Aerospaca Establishment at Farnborough 10 years ago. British Alcan started up a pre-production

including those in Japan. utput has been stepped up frequently, and last year, the company sold fam worth of the alloys. British Alcan has decided to license the technology to com-petitors because, in some cases, customers are insisting on more than one source of

supply.
The Japan Research and Development Centre for Metals (RDM), a privately funded body which is leading the Japanese plan, said it was aware of the British Alcan development, but was under the impression that the British company had so far only delivered "sample" ship-

ments.
In RDM's view, aluminium lithium technology has not yet been perfected. It said there

lan Rodger reports from Tokyo on an apparent departure from Japanese technology policy in the field of aluminium lithium alloys for use, notably, in the aerospace industry

of Ban

ness and with rolling the alloys. Thus, there was still room for basic study.

n RDM official said that since the industrial revolution Japa-

nese companies had been interested in developing stronger and lighter metals, so this was a natural avenue of research for them. It hoped to complete its study of what type of aluminium lithium to focus on within the next few weeks.

Among the companies sup-porting the RDM effort are several Japanese non-ferrous metals companies, including Nippon Light Metal, which is 50 per cent owned by Canada's Alcan Aluminium. (British Alcan is wholly owned by the Canadian company.) Other backers include Mitsubishi Heavy Industries, Japan's largest military contractor and Ishikawajima-Harima Heavy industries, another large milt-

tary and aerospace group.

The RDM official said he was aware that aluminium lithium could be used in all types of aircraft. He also acknowledged that Miti was encouraging companies and industries to take account of industrial developments abroad before launching new ventures, but he thought there was still room for Japanese groups to make developments on their

According to a Japanese newspaper report last week, Miti would lead the aluminium lithium project, which would be aimed at producing metal for the next generation of supersonic aeroplanes and

One Miti official said that the report's focus on spacecraft was wrong. In fact, he said, the development was aimed at providing material for the next generation of commercial air-craft, such as the YXX, which is being developed by Boeing in co-operation with Japanese and other companies. He then smelter at Birmingham in 1985, and other companies. He then and has supplied evaluation referred more detailed queries materials to all the leading., to another official who denied world aerospace companies, that Miti was involved in the

project in any way. However, at least one leading Japanese aluminium com-pany is taking part in the proj-ect reluctantly, and only as a result of Miti pressure. A company spokesman, who requested anonymity, said Jap-anese knowhow in the aluminium lithium area lagged far behind that of Western companies, and it was wasteful to work independently on devel-

oping it. A British Alcan official said that even if the Japanese project was enccessful, it would meet with difficulties in get-ting alloy patents. The RDM official said he was aware of 'delicate and subtle" patent problems, but the Japanese companies would try to develop something different were problems with adhesive- from that produced in Europe.

East awaits passport perestroika

Judy Dempsey in Vienna reports on the travel bureaucracy facing Warsaw Pact citizens R Mikhail Gorba- next form to be filled out, with port office. Any future travel

chev's policies of restructuring would have far greater support and meaning for millions of cit-izens in the Soviet Union and Eastern Europe if the regula-tions on travel and passports were radically reformed.

This is a view shared not only by East European intellec-tnals hnt ordinary people, any of whom are denied the right to a passport and thus the freedom to travel and emigrate wherever they choose.

The right to travel, which continues to be one of the most sensitive issues in Eastern Europe, is at present under review in several of these countries. Last January, a major overhanl of the passport system was introduced in Hun-gary which gives citizens the right to travel freely. But elsewhere many petty, burean-cratic and often represeive obstacles still stand in the way before citizens can obtain a

passport.
in some countries, such as Bulgaria, Czechoslovakia, East Germany and Romania, people wishing to apply for a passport must go through numerous bureaucratic channels.

In Bulgaria, citizens need references from their place of work. In Czechoslovakia they also need references from the local trade union or party organisation. In Romania, peo-ple must first apply for the application form before they can even formally apply for a passport. If they want to emi-grate, they are often dismissed from their jobs. Applicants also need invitations. These procedures, however, are only the beginning of a long road towards the border. The questionnaire is the

By John Wyles in Rome

in italy reached 11.9 per cent in

April, reflecting a growing number of job-seekers in the south who more than offset a

decline in the booming north

terly survey by Istat, the national statistical agency, the national rate was the highest

for any post-war April and compared with 11.7 per cent in

the same month last year. Sea-

sonal factors, however, pulled

unemployment down from the

12.4 per cent registered in Jan-

THE UNEMPLOYMENT rate uary.

questions ranging from the purpose of the visit, what places and people will be visited, who will finance the trip and details of the applicant's parents. Even after that, the applicants cannot be guaranteed a passport. In these countries, although the Bulgarian anthorities are now elowly changing the law, officials are

requires further application forms, further questionnaires and endless delays. These restrictions are but a

tip of the iceberg. Citizens for instance, are limited to the amount of time they can tantly, in the case of Romania, Bulgaria, Czechoslvakia and East Germany, the same pass-

port cannot be used for travel

to both socialist and Western

countries. The immortal words.

"travel to all countries" are

neatly negated by an official stamp which simply says: "for travel only in the socialist

Even travel within the socialist countries is not with-

out its problems. Slogans about

socialist fraternity quickly dis-

appear when it comes to cross-

East Germans, for instance, need visas for Hungary, Bul-garia and Romania, as well as

Yugoslavia and are not encour-

aged to travel to Poland. Poles

need invitations to cross the border into Czechoslovakia and

the Soviet Union. Bulgarians need invitations to visit the

Soviet Union, where, unless they are on business, must travel with official tour groups

like the rest of their East Euro-

Officials are more than defensive when asked why

their citizens are prevented from travelling freely. "It is a problem of hard currency" is

the usual reply. True, since the

East European currencies are non-convertible, travelling to

pean counterparts.

ing each other's frontiers.

In Romania, people must first apply for the application form before they can apply for a passport.

not required to give any reason if an application is turned For those who are lncky enough to obtain a passport, the road still remains blocked with further obstacles.

Until recently, Hungarians, who can keep their passports, could not travel abroad without the exit visa, which amounts to permission to leave the country. Last January, the authorities in Budapest abolished this requirement, but it is the only country to have done so. Elsewhere, citizens need both an exit permit and a visa to re-enter their own coun-

This requirement partly explains why some intellectuals, particularly in Czechoslovakia, are reluctant to travel to the West. They may not be allowed to return home. During the 1970s, the Czechoslovak authorities had a habit of stripping some of their critics of citizenship when they were

For those who do return, except in the case of Poland and Hungary, passports must be handed in, normally within two weeks, to the local pass-

In the north 6.7 per cent of

the workforce was unem-ployed, compared with 7.6 per cent last April. Some 10.1 per

cent (9.3 per cent) were jobless in central Italy, against 20.2

The most important factor

behind the significantly higher rate in the south is a growing

The proportion of women in the workforce rose from 28.8

north-south prosperity gap.

per cent to 29.8 per cent.

as prosperity gap widens

of the country.

According to the latest quarper cent (18.8 per cent) in the

the West is a financial burden on the state coffers.

To get around this particular

problem, the Czechoslovak authorities recently increased the possibility for travel to the West by allowing their citizens to open hard currency accounts. Czechs, however still cannot be guaranteed the automatic right to a passport and

an exit visa. What the anthorities fear most from liberalising the passport system, however, is not the depletion of their hard currency reserves, but that a "brain drain" would take place. This is what happened just before the Berlin Wall was built in 1961.

In Romania, Mr Nicolae Ceausescu, the Party leader, in an effort to deter such would-be emigrants, imposed an "education tax" in 1982 which meant that those seek-ing emigration had to repay to the state, in hard currency, the cost of their education, even though it is forbidden to hold such currency. Last March, Mr Ceausescu described those who left the homeland as "black

Yet the cases of Poland and Hungary, in which its citizens do return home, suggest that the more liberal the passport system, the more liberal the political system. Those Poles and Hungarians who remain abroad, do so largely for eco-

nomic reasons But for those who remain behind, the restrictions and the obstacles persist. The only hope for the East Europeans is that a dose of restructuring will be fed to the ministries of the interior in Eastern Europe, who, however, are the least reluctant and often the slowest to respond to the winds of change taking place in the Soviet Union.

Italy unemployment rises | Party leaders agree to co-operate on Karabakh

COMMUNIST Party chiefe from Armenia and Azerbaijan agreed yesterday to work together for the development of the disputed region of Nagorno-Karabakh, Renter

Tass, said the agreement was reached at an unprecedented meeting in Stepanakert, capital of Nagorno-Karabakh, which has been the subject of a hitter dispute between the two repub-lics, in which the mainly Armenian inhabitants have

Tass said "the republican party organisations of Azerbaijan and Armenia will work in close co-operation, in the spirit of perestroika (restructuring), in the basic interests of both

differences over the region.

rates, up to 14.25 per ceut on one 1962 loan, and it is now taking advantage of lower market rates. The new bond issue will be for eight years.

Most Belgian public debt is held by institutions, such as the private banks, insurance

Mr Mikhail Gorbachev, the companies and state-owned credit and eavings banke Soviet leader, has urged the two republics to set aside their involved in yesterday's agree ment. In return for the 1986 refinancing, they were prom-ised that there would be no extra taxes imposed on them specifically. In fact, the Gov-ernment is planning an increase in taxation of income and the first major step towards public reconciliation between the two from abroad.

reports from Moscow.

The official news agency,

sought to break away from Azerbaijani rule.

The meeting yesterday was the first of its type since unrest bringing mass demonstrations and rioting flared in February,

Divided Germany unites around the business table

Leslie Colitt reports that cross-border contacts between the captains of industry are a serious affair

YMBOLICALLY, a towering West German crane bearing the name of its manufacturer in the Ruhr has dominated the biannual East-West trade fair in Leipzig, East Germany in recent years. Inside the conference cubi-

cles at the Technical Fairgrounds, directors of West Germany's most illustrious companies confer with their counterparts who head East Germany's giant industrial Political relations between

the two Germanys are a com-plex and highly sensitive matter, in which Bonn seeks to use its leverage as by far the stronger economic power in order to obtain the maximum human rights concessions from the

Communists.

But in Leipzig, politics rarely interfere with the business at

The captains of industry from East and West Germany have known each other for years, some for decades. One elderly West German businessman returning by train from the Leipzig fair confided that "my former schoolmates work for the ministries in East Berlin which I do business with But at the negotiating table, East and West German company directors rarely drop their reserve. Business is a serious matter and to even jest is to risk being considered waserioes (not respectable). his remarks were line with some recent pronouncements

common is full confidence in each other'e reliability. They know their partner in Düsseldorf or Dresden will deliver the goods promised, as specified

and on time.

The agency in West Berlin which oversees and monitors East-West German trade is the innocuously-named Trnst Office for Industry and Trade (TSI) of the West German Eco-(TSI) of the West German Economics Ministry. Its task is to ensure thet West Germany's share of trade with East Germany does not drop below 10 per cent of total East German foreign trade.

East Germany rarely has sufficient compatitive goods to

ficient competitive goods to sell to West Germany so the

German politician has made a controversial appeal for East

Germans to stay at home and "change conditions" there

rather than seek to emigrate to the West, writes Leslie Col-itt. Mr Heinich Lummer's plea followed a West German state-ment that migrants from East

Germany were expected to

double next year.

Mr Lummer has been criticized both by fellow-members of the ruling Christian Demo-

cratic party, and by opposition Social Democrats. However,

his remarks were line with

most imaginative devices must be found to boost trade. One of the most remarkable is an arrangement under which West Germany eells East Germany hundreds of mil-lions of D-Marks worth of crude oil each year and buys back refined oil products worth more than three times the

All this takes place despite All this takes place despite enormons unused refining capacity in West Germany, it provides East Germany with badly needed Units of Account (equal to D-Marks) in the clearing system used in inner-German trade and is regarded as politically desirable by Eon politically desirable by Bonn because the oil products are

from the East German Protes-

tant Church, calling on people to work for change from the inside.

According to the West Ger-

man permanent mission in East Berlin, East Germany has

issued exit papers to nearly 10,000 citizens in the first few

months of the year, almost as

many as in all of 1987. A record 40,000 were allowed to

go in 1984 but the number dropped sharply subsequently. The number of applications

has soared recently, suggest-ing widespread discontent, in

the view of West German offi-cials. One said the number of

elsewhere because of what is seen as euperior technology, punctual delivery, reliable ser-vice and the flexibility of the manufacturer who will frequently accept East German goods in payment.

largely destined for West Ber-

Invariably East Germany

will choose to buy a West Ger-man machine over one made

This explains why West German engineering companies last year boosted deliveries to East Germany by 29 per cent to DMI-8hn although trade with East Germany makes up less than 2 per cent of total West German trade. Throughout Eastern Europe,

ontstanding applications might be anywhere from 200,000 to 1m. "Probably even the authorities here do not know the real number."

know the real number."

Each East German seeking to leave represents an average of two other accompanying family members. Only a third of the applications currently being approved are from East Germans seeking to join relatives already in the West. The others want to leave the second of the seco

others want to leave for a com-bination of economic and polit-ical motives which include the frequently cited complaint of restricted freedom of move-

the West German economic connection eclipses other links with the West in importance. Bankers and industrialists in West Germany are given a wel-come seldom accorded to West German politicians.
The leaderships of the Soviet

Union and Eastern Europe are seeking Western solutions to their pressing economic prob-lems and no other Western country, they believe, is as capable of providing them as West Germany.

West Germany.

West Germany is Comecon'e largest trading partner, expoxting DM31hn and importing DM27bn last year. Having taken over from Britain in the late 1950s, West Germany

migrants. Officials there suggested that the anthorities might be granting more permits to impress the European

security conference in Vienna.

The largest number of appli-

cations to emigrate come from East Germans who live in

cities near the Eastern border which are out of range of West

German television. In most parts of the country, West Ger-man channels are widely

E Germans urged to seek reform at home The West German mission in East Berlin said it remained to be seen how long East Ger-many would continue allowing the increased number of

> slovak products into their pro-duction cycle.
>
> Items like oil, chemicals, wood products, foods and semi-manufactures account for over a third of East German and nearly half of Czechoslo-vak exports to West Germany.

maintained its leading position in the East through the depths of the Cold War and the vaga-ries of Bonn's political rela-tions with Moscow.

The secret of West Ger-

many's preponderance of trade with the East is that no other Western country is able to pur chase and use so much of East ern Europe's main exports -fuels, raw materials and semi-

Thus the big three West German chemical companies buy large quantities of bulk chemicals from East Germany, Czechoslovakia and Hungary which are used in the products they sell to the rest of the world. Without being able to sell bulk chemicals, Eastern Europe would be unable to buy considerable amounts of fine chemicals from West Germany.

One foreign trade official in Prague explained that Czecho-slovakia would like to divert some of its business to other Western companies hat that, unlike German companies, they could not absorb Czecho-

No other Western country pro-vides anything like this enor-mous market for the East's low added value products.

Tax reform likely to add 0.2% to Japan's GNP

By lan Rodger in Tokyo

THE PROPOSED overhaul of Japan'e tax system would add by an estimated 0.2 per cent, but exports would also rise, by the country's but exports would also rise, by Japan'e tax system would add 0.2 per cent to the country's annual gross domestic product, according to a study by the Government's Economic Planning Agency. However, private sector economists remain cantious about forecasting the impact of the radical tax reform, not least because of uncertainties about the degree uncertainties about the degree of evasion that may take place. "The rate of cheating will not change," Mr Hidehiro Iwaki of NRI & NCC, the research arm of Nomura Securities, predicted yesterday. Under the tax reform plan, which is now being debated in the Japanese Diet (parliament), personal and corporate income

personal and corporate income taxes are to be substantially reduced but a 3 per cent con-sumption tax and a capital gains tax system will be intro-duced. The Government has forecast that the tax reductions will cause a Y5,600bn (£24.7bn) loss of revenue in a typical year, while the new taxes will add Y3,200bn.

The EPA used its macroeco-

The EPA used its macroeconomic model to analyse the
effect of these changes, and
concluded that in the fiscal
year 1991-92, by which time
substantially all the reforms
would be implemented, the net
impact on real gnp would be
0.2 per cent.

Private final consumption
expenditure and private resi-

expenditure and private residential investment would each rise 0.2 per cent and private plant and equipment investment would go up 0.3 per cent. The increase in domestic

0.1 per cent, because of an expected fall in export prices.
The EPA also estimates that the introduction of the consumption tax would add 1.1 per cent to the consumer price index, assuming that the full burden is passed on to consumers. In fiscal year 1989-90, when the consumption tax is introduced, the effect will be eligible burden. slightly larger, 1.2 per cent, because existing commodity taxes on some items, such as cars, will not have been fully phased out. Private sector economists expressed reserva-tions about this analysis because of uncertainties over evasion of the consumption and capital gains taxes.

FINANCIAL TIMES

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PALESTINIAN 'PARLIAMENT' TO MEET

PLO calls crisis talkson Jordan's West Bank move

By Tony Walker in Amman

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THE PALESTINE Liberation
Organisation, thrown off balance by Jordan's decision to disengage from the West Bank, has called an emergency session of the Palestine National

to Jordanian passports.

A question mark now hangs over whether Jordan will continue to issue passports to West Bank Palestinians. Officials have indicated this may

making body.

The Palestinian parliamentin-exile is expected to meet
within a month probable. Baghdad, to review the latest development.

The hasty convening of a PNC session almost certainly reflects disquiet over the impli-cations of King Hussein's dramatic announcement on Sunday that he was handing responsibility for the West Bank to the PLO.

The decision to call together

The decision to call together the 450 PNC representatives was taken at a meeting of the Palestine Central Council, the PLO's advisory body, which concluded a meeting in Bagh-

dad yesterday.

A PLO spokesman said a high-level delegation would visit Amman next week for consultations with Jordanian officials. Mr Yassir Arafat, chairman of the PLO, would not lead the delegation, putting off for the time being his planned visit to Jordan

planned visit to Jordan. In Jordan, there has been confusion about the practical. consequences of King Hussein's decision to cut legal and administrative ties with the West Bank, home of some 850,000 Palestinians. ...

The King's speech, which was televised to the nation, left many unanswered questions about continued dealings with the West Bank, over which Jordan has claimed sovereignty

One of these relates to the payment of salaries and pen-sions to 24,000 West Bankers, many of whom have been on: the Jordanian payroll since

before the 1967 war. These employees may be suspended as part of Jordan's disengagement from the territories. It is unclear who, if anyone, will continue to pay them. Their salaries amount to \$30m

Local observers point out. that the PLO does not have an infrastructure which would allow it to transfer funds to the

a year.

now become a PLO responsibil-Problems may also arise over movement back and forth between the West Bank and

Jordan, affecting trade.
Government spokesmen are refusing to be drawn on measures required to complete the disengagement between Jordan and the West Bank.

Their studied vagueness appears part of a deliberate policy while the Government awaits reaction to the King's announcement, both from West Bank Palestinians and from

the PLO itself.
Palestinian observers and
Western officials believe that King Huseein, by forcing questions to be raised about such practical issues as passports and salaries, is seeking to highlight Jordan's and his own continuing importance to the peo-ple of the occupied territories. Jordan appears to be hoping that both the PLO and West Bank Palestinians will urge that it continue to play an administrative role. King Hussein has made no secret of the fact that he believes Jordan's efforts to assist the Palestin-ians have not been appreci-

The King has indicated displeasure at criticism of his motives for wanting to main-tain close links with the West Bank, which was ruled by his family until it was seized by

Israel in the 1967 war. The Palestinian uprising in the occupied territories had strengthened PLO demands for recognition of rights to inde-pendent statehood in the West Bank and Gaza Strip. This pushed into the background the idea of a confederation between Jordan and a Palestin-ian homeland, which had long been the King's preferred

option.

Troops shot dead a teenager and wounded four other demonstrators in the West Bank yesterday amid protests over the expulsion of Palestinians

accused of inciting violence.

Arabs demonstrated and staged a strike in support of passports. Some 650,000 resigned eight deportees: who were dents of the West Bank and . taken to southern Lebanon by

OVERSEAS NEWS

Prem's departure tests politicians' mettle

Peter Ungphakorn on the men likely to assume power after the Thai PM goes

years with caution and predictability. There were a few minor surprises, but none as startling as the one he reserved for last week when, out of the blue, he told politicians negotiating a new coalition that he would no longer be prime minister. His decision has transformed

tive of the army, a rare situa-

tion that in the past has usu-ally ended in a conp.

The army will continue to watch developments closely and has allies in several of the

parties. But it, too, is split and

much depends on the annual

military appointments due next month. The last success-ful coup was in 1977 and all

In the past Gen Prem made sure his supporters controlled the key military positions.

Now, the field is thrown wide

open, with uncertainty about the future of Gen Chevalit

Yongchaiyudh, the army com-

When appointed in May 1986 he promised to remain in office for only two years and indeed he handed in his resignation in

May, hut Gen Prem turned

down the resignation. At the

time, observers thought Gen

attempts since have failed.

India's ruling Congress I party yesterday joined opposition calls for a government inquiry into alleged commission pay-ments by Sumitomo of Japan to an Indian businessman in Thai politics. It imposes the severest test on civilian politiconnection with two contracts cians in 12 years and could affect Thailand's much-publiwith the state-owned Oil and Natural Gas Commission. The allegation was made last week by The Statesman newscised progress towards becoming a newly-industrialising paper of New Delhi which country. Without Gen Prem, the new claimed that the businessman was associated with Captain coalition is also likely to be without any direct representa-

Satish Sharma, a close friend of the Indian Prime Minister, Mr Rajiv Gandhi. In a statement to both houses of parliament yester-day, Mr B.K. Gadhvi, Minister of State of Finance, said the Statesman report was "inaccurate" in many respects. But he did not deny that Sumitomo had made the alleged pay-

Indian MPs

urge inquiry

'payments'

By K.K. Sharma . in New Delhi

on Sumitomo

AT LEAST one MP from

ments. Mr Gadhvi said Mr Lalit Suri, the businessman, was a "consultant" and had submitted income tax returns in which payments by Sumitomo were mentioned.

Opposition members in the Rajya Sabha, the upper house of parliament, were yesterday unhappy with the government explanation and the issue is bound to be raised again. The Statesman report fol-lows charges of pay-offs to peo-ple close to Mr Gandhi by

Bofors of Sweden .

ENERAL Prem Tinsu-lanonda governed tember. He has said nothing so Thailand for eight far about the possibility. The uncertainty contrasts

starkly with the routine and ritualistic political events of the past few months before Gen Prem made his surprise announcement.

The campaign for the July 24 general election opened after parliament was dissolved on April 29 with the routine spate of coup rumours and a procession of senior military officers who visited Gen Prem, apparently to express support. Students, academics and a handful of political leaders

called for the Prime Minister to be an elected member of parlia-ment. The calls carried little weight and there was no response from Gen Prem, who was still army commander in 1980 when he took over the Government under a militaryinspired constitutional provision that allows a non-elected prime minister.

There were some bitter local rivalries and millions of baht were spent on buying votes, but polling sprang no surprises and everyone assumed Gen Prem would head yet another coalition - if he had made his announcement before July 24, the election would have been quite different.

On the assumption that Gen Prem would continue, Maj Gen Chatichai Choonhavan, leader of Chat Thai (Thai Netion), the largest party, announced the following day be was not ready to be prime minister. Two days later, Gen Prem forced readi-



Chatichai: a more

pro-husiness role he real reason for Gen Prem's decision to stand down is not clear. He said he wanted Thailand's democracy to progress further and a number of critics promptly congratulated him - the latest was Gen Arthit Kamlang-ek, voted into the Lower House in this election, whom Gen Prem had sacked as

army commander in 1986. But Gen Prem always preferred the kudos of premiership to the battles over policies and vested interests. He presided over a dramatic recovery from mild recession in 1984-85, hut his strength had been in hiring and firing – sometimes controversially – and as a compromiser between factions that did not threaten him per-

By election day, he hed already achieved his ambition

to preside over two important royel ceremonies: the King's 60th birthday on December 5 last year and the July 2 celebrations this year when King Bhumihol Adulyadej became Thailand's longest reigning monarch. Another term appeared to promise nothing but trouble.

Gen Prem has shown a sensitivity to criticism. It wes apparently the reason for dissolving parliament rather than face a no-confidence debate he ought to have won.

But he has not ruled out the possibility of returning as a compromise prime minister if the parties fail to stay

together. Gen Chatichai, if confirmed is the new prime minister, is likely to play a more assertive, pro-business role than his pre-decessor in formulating policy. But much depends on the behaviour of ministers from the five parties that are expected to form the coalition. A former diplomat and for-

eign and industry minister, he will inherit an economy undergoing rapid industrialisation and export-led growth, still suffering corruption in some key areas. The fear is that corruption in the Cabinet itself could get out of hand, although the new responsibility suddenly dropped on their shoulders by Gen Prem's departure could restrain politicians' greed.
Gen Chatichai's Chat Thai Party, although the largest, only has 87 seats, less than a quarter of the Lower House. He and his party colleagues are

Eastern Seaboard Development Programme, which includes e new deep sea port, industrial estates, an export processing zone and a petrochemicals

complex. r Banharn Silapa-Ar-cha, Chat Thai's sec-retary general and a leading party financer, spent two controversial years as communications minister with a series of scandals over bus purchase and highway construction contracts, the pur-chase of MD-11 aircraft for Thai Airways International and a cranage monopoly at the port of Bangkok awarded to a leading Chat Thai politician.

The new communications minister could be Mr Montree Pongpanit of the 54-seat Social Action Party, who spent two equally controversial years as commerce minister with responsibilities that include control of export quotas. Transport and communications are likely to be a key economic issue because of the invest-ment in infrastructure needed to accommodate Thailand's

Political leaders negotiating the share-out of cabinet posts say the talks are cordial. That could mean that the new responsibility has encouraged them to avoid clashes over who should get the key positions and might signal a new determination to avoid serious

If they fail, the army could move. Pessimists predict a Chatichai-led coalition might not last more than three closely associated with the

Peking urged to cut public expenditure

A REPORT from the China-Academy of Social Sciences says Government departments must reduce spending and stop meddling in the banking system, if the country's rapid growth rate is to be reined in and inflation held back.

China's economy has entered a breakneck phase of growth and consumers are being urged to tighten their belts to keep the lid on inflation.

According to the academy, the Finance Ministry, which is singled ont for criticism has been fuelling 19 per cent inflation by printing money to sat-isfy its desire for luxury cars and other imported goods. This has led to overconsumption and a money supply growth-rate of more than 30 per cent so far this year. The Academy called on the

Government to guarantee the independence of China's key banks, so that the Finance Ministry could no longer just demand an overdraft to cover

In their report, the economists suggest the National Peoples' Congress be responsible for a new currency, and the for a new currency, and the ability of banks to issue over-drafts to cover deficits. "The country must reduce the pur-chasing power of enterprises and ministries to avoid deficits," the academy said.

But, eccording to the Finance Ministry's research

department, China will be stuck with a deficit for at least timee to five years as its economy expands. The department said the Government had saut: the: Government had decided to reduce the deficit by issuing grants to special banks. An alternative, he said, would be to borrow additional foreign capital to add to China's for-

capital to add to China's for-eign debt
Both, however, are inflation-ary, and the economists have warned against using foreign debt to solve the problem of deficits. The dilemma is one which Chinese leaders meeting at the spessible recent of Beidahe

are now trying to resolve.

Without Incurring a consumer backlash by letting
prices go too high, they must
somehow dampen demand in a booming economy where fami-lies now spend too much on non-staple food items and the so-called "four new essentials" - TV sets, refrigerators, washing machines and tape record-

at the seaside resort of Beidahe

In recent years, ownership of these goods, despite their expense (each costs about one year's average wage), has spi-ralled, creating distortions in the economy. According to academy economists, China, to avoid a akewed economy, needs more labour-intensive industries to absorb surplus rural manpower, not capital-in-tensive ones producing electri-

FLY HIGH AND LOOK FORWARD TO A BONUS. STERLING ASSET INVESTMENT ACCOUNT HIGHER RATES 7.75% NET =8.00% NET AINCLUDING

Manila and Washington narrow rift over bases

PHILIPPINE and American negotiators indicated yesterday that they were working towards a compromise on the divisive issue of how much Washington should pay for the two US military bases in this country, Reuter reports from

future of Clark Air Force and Subic Bay Naval Bases broke down because of disagreements over compensation, the two sides held more than two hours of talks in a bid to end the

The discussion of the compensation issue encompassed a variety of economic options and the exchange of views will continue," a joint statement said. It said that the two sides would meet again today.

Ms Mary Carlin Yates, for the US team, described the talks as "businesalike and cor-

Foreign Secretary Raul Manglapus, Manila's chief negotiator, said before the talks resumed there were "some very interesting indica-tions" that Washington had relaxed its position.

The talks broke down a week ago after Manila, demanding a \$1.2bn annual cash package

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Agriculture

Protectionist farm policies are restricting growth and trade

Recent improvements in prices have done nothing to reduce the urgent need for reform, William Dullforce reports

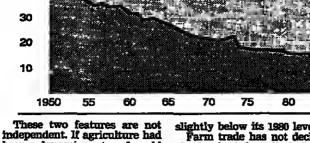
Recent improvements in the prices of many farm products have done nothing to reduce the urgent need for the reform of govern-ments' policies on farming and agricultural trade.

Subsidies on exports of farm produce and the current protectionist policies of many industrialised countries, designed to protect farmers' incomes, are contributing significantly to the poor perfor-mance of agricultural trade.

These are two of the princi-pal conclusions drawn by Gatt's economists in the section of the annual report which charts the almost uninterrupted decline in agriculture's share of world trade. The study is epposite at e

time when negotiations on the reform of world farm trade in Gatt's Uruguay Round are in danger of becoming deadmerchandise trade has plum-

meted from 46 per cent in 1950 to 13 per cent last year. The decline has been eccompanied by increasing friction between



trade, countries' farm policies would have been of less concern to their neighbours, Gatt The report assesses performance in terms of the ratio of 'exports to production. The rise in the share of agricultural production which is traded internationally has been much

been a dynamic sector of world

manufactures (see table).

Despite e notable increase in

slightly below its 1980 level.
Farm trade has not declined absolutely; it has climbed from \$28bn in 1950 to \$325bn last year. But it has grown more slowly than the rest of world

This laggardliness reflects the greater scope for product innovation and differentiation in manufacturing but also a downward trend in world market prices for farm produce relative to the prices of other On everage between 1950 and 1987 the dollar value of world

tion of the dollar.
Others are the strong economic growth in East Asian countries and China, which are among the largest importers; the substantial increase in Soviet food imports; and the

exports of farm products

increased by 7 per cent a year compared with 10.5 per cent a

Gatt economists attribute

the recovery in the prices of many farm commodities since the begining of 1987 to several

factors, including the deprecia-

year for total merchandise.

situation in several oil-exporting counties which are large net importers of farm products. Lower output was another element. Depressed 'prices before 1987 had discouraged production, for instance, of wheat in Australia and Canada and of palm oil in Malaysia.

Cuts in support prices and supply controls in the US, the European Community and Jepan also helped to reduce

World stocks of several com-modities have fallen. The US

crops of wheat, maize and soyabeans. Together with a general rekindling of inflationary expectations, these devel-opments are reinforcing the upward pressures on prices.

However, the Gatt economists point out, the pick-up in prices and export volumes for farm products in 1967 was not enough to prevent a further decline in agriculture's share of world trade. More fundamentally, they

argue, in important markets such as those for cereals, dairy

ernment subsidies, import restrictions and market sharing arrangements continue to exercise a major influence on

In their analysis of the impact of farm policies, the Gett economists point out that the raising of trade barriers and the introduction of produc-tion and export subsidies have turned previous net importers of farm goods into net export-

Examples cited are the US, the EC and China in a variety

Between the late 1966s and the early 1980s the industrial nations switched from being a large net-importing bloc to a net-exporting region of farm produce. The developed coun-iries' share of world exports pas unctrasted around 62 bear

Conversely, the inadequate response of farmers to growing demand for food in Africa and the Soviet Union has trans-formed these countries from

net exporters to net importers
of several products.
Current farm policies have
led to lower and more volatile
world market prices for many farm products with a corre spondingly negative impact on incentives to farmers in many

developing countries.

This development may not have led to ebsolute declines in output but there is little doubt in Gatt's view that it has curtailed increases in production. Gatt economists conclude that, quite aside from their direct impact on farm trade, current policies are exercising a negative influence on world wide economic growth and restraining the growth in all trade.

Manufactures lead trade volume increase

MANUFACTURED goods last year resumed their traditional role as the most dynamic element in world merchandise trade. An estimated 5.5 per cent expansion in volume represented a substantial acceleration from the 4 per cent increase recorded in 1986.

The pick-up in manufactures was the driving force behind the 5 per cent increase last year which capped five consecutive years of growth and brought the volume of world trade to a record level, one quarter ebove that reached in the 1982 recession.

The annual report from the General Agreement on Tariffs and Trade*, the first part of which was published yester-

day, records a 16.5 per cent increase in the value of world merchendise exports to

\$2,475bn in 1987. in addition to the 5 per cent growth in volume, this increase reflects higher dollar prices for oil and other pri-mary commodities and e valuation effect due to the apprecia-tion of major currencies such as the Yen and the DMark

against the dollar.
Gatt breaks down trade developments by product and geographical area, Import demand in the industrialised countries remained the strongest force on trade volume, even though its growth slowed

However, the acceleration in the momentum of trade last year is traced to a sharp turn-around in import demand in developing countries, from a substantial decline in 1986 to e

volume increase of 3 per cent. Asia continued to emerge as the most dynamic exporting region, the dollar value of its exports in 1987 being more than 70 per cent above their 1980 level compared with an average increase of a little less than 25 per cent for total world

> The combined exports of Hong Kong, South Korea, Sing-apore and Taiwan, which sursed in value the exports of the OPEC countries in 1986, came close to matching the

overall boost in trade of manufactures masked some recent rapid changes in the commodity pattern. Thus, the volume of trade in electronic products, currently accounting for about 12 per cent of world trade in manufactures, increased more than twice as fast as the total

The dollar value of exports of electronic products (exclu-

aggregate exports of all the other non-OPEC developing countries last year.

At the product level the value last year, while the value of trade in textiles and clothing rose sharply

By contrast trade in automo-

tive products expanded less than the volume of total trade for the second year in a row. The volume of the steel trade now estimated to represent about 5 per cent of trade in manufactures - declined again. *International Trade 1987/88

will appear in a two-volume set, available in English, French ding the Soviet Union and Spanish from the Gatt SecEastern Europe) increased by more than 20 per cent, Gatt estimates.

Chemicals, where Western Europe's trade performance than 20 per cent, Gatt estimates.

Chemicals, where Western day reproduces the first two sections of Volume 1.

Boost for 'dynamic' exporters

to be dynamic importers, econ-omists from Gatt argue. They use their statistics to underline the case for free trade and partially to defend newly industrialised countries accused of keeping their own markets closed while they

boost exports to others.

A new table introduced to this year's annual report ranks countries by the average annual rates of growth in the dollar value of their exports etween 1970 and 1987. The table also shows import growth.

South Korea, Taiwan, Hong Kong and Singapore top the list in that order with Turkey in fifth place and China sixth. Of the world's 10 biggest value, starting with West Ger-inany, the US and Japan, none is among the top 10 exporters or importers ranked by long-term trade growth. Japan is in 12th place in the export

growth league.

More significantly, 17 of the
32 countries reporting aboveaverage export growth between
1970 and 1987 also show aboveaverage import growth.

The evidence is even more

striking for the most recent period 1982 to 1987 with 28 out of 32 countries combining rapid export and import

The data, the Gatt economists comment, indicate that, despite the problems that have plagned the world economy in 1987.

DYNAMIC EXPORTERS tend exporters in terms of trade since the early 1970s, access to be dynamic importers, econ-waine, starting with West Germany countries move up the development ladder.

Moreover, they add, since
these countries tend to spend

> earn, their dynamism is spread to other trading nations. notes that accelerated growth of imports of manufactures into Hong Kong, South Korea, Singapore and Taiwan alone accounted for about one-third of the faster expansion of world trade in manufactures

the foreign exchange they

last year. These four countries were responsible for 9 per cent of world exports and 6 per cent of world imports of manufactures

Companies invest in Vietnam

have invested in Vietnam this from Bangkok. year, and countries are urged to end isolating Vietnam, an official Vietnamese redio Twenty foreign companies had expressed interest in a liberalised investment code.

TWELVE foreign companies broadcast said, Reuter reports

Contracts & Tenders

GOVERNMENT OF INDIA AIR HEADQUARTERS: INDIAN AIR FORCE TENDER NOTICE

On behalf of the President of India, Director of Purchase Air Headquarters, IAF invites sealed tenders on prescribed forms from manufacturers, stocklists registered with MOD/BSI, on approved list of ISW, London; of Air HQ, India for supply of the following stores on FOS basis:

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DATE

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CORRESPONDENCE/COMMUNICATION WILL BE DIRECT WITH THIS OFFICE IN INDIA AND NOT THROUGH ANY INDIAN AGENTS.

Release Notes (in the case of manufacturers) may seek tender documents. Copy of MOD/approved authority authorising issue of inspection certificates for the range of stores offered is essential. Where stockists propose obtaining services of other agencies for inspection/quality assurance, approval accorded to them by MOD must accompany tender documents. Tender offers will not be considered if they are late or if documents as prescribed are not enclosed.

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Conjuring with a Turkish illusion

Jim Bodgener reports on the problem of bogus export returns

ICTITIOUS export and and a third of the total.

returns have been a But most papers dwell on
perennial problem in in passing on an alarmin

export drive. But a hue and cry in the press has finally hounded the Treasury and State Planning Organisation into drawing up measures to tackle a problem once shrugged off as an unavoidable ill. They are only just in time: the tax rebate system will be phased out completely by next April to comply with Turkey's obligations under the General Agreement on Tariffs and Trade subsidy

The extent of the abuse has never been fully revealed. Senior officials and ministers all the way up to the Prime Minister, Mr Turgut Ozal, have denied publicly that there is a serions problem. Privetely, however, senior Treasury officials admit bogus returns may have amounted to as much as 5 per cent of Turkey's \$10.19m sales in 1987. The press claims it ranges between 15 per cent

But most papers dwell only in passing on an alarming Turkey ever since tax rebate aspect for Turkey's Western creditors — that the country's the early 1980s to encourage an debt-servicing creditworthiness in international financing circles might in fact be an illu-sion, conjured up by fake export earnings.

If the figures being touted by the press are correct, then between \$1.5m-2m of Turkey's record performance in 1987 are bogus exports. Such a discrepancy might wipe out the nar-rowing of the current account deficit for the year by 35 per cent to \$987m, which would have severe implications for Turkey's international debt

servicing ability.
Officially, the balance of payments improvement, from a had year in 1986, has continued into the first two months of 1987, when the current account deficit contracted further by 16.5 per cent to \$563m. Exports from January to April this year have remained above \$1bn a month (auguring well for the Government's year-end target of \$13bn target), but dipped in

May. Trading companies can register dummy exports in several different ways. The most

If the figures being touted by the press are correct, then between \$1.5m-2m of Turkey's record performance in 1987 are bogus exports.

straightforward is to register with the Turkish customs the export of goods which never leave the country. Another is to lodge a receipt for a much higher amount than paid by the overseas customer, sometimes with the latter's connivance. The goods can also be misrepresented - in a recent case, an exporter was charged with passing off plastic pens and ashtrays as gold and crys-

Foreign bankers, particu-

larly those directly engaged in export financing, say the sto-ries are too sensational. One, whose Istanbul-based institution handles about 10 per cent evidence of fraudulent claims.

The main culprits are small companies, although large trading houses have been implicated in the press. Small companies often trade through the larger bouses – called for-eign trade corporate companies (FTCCs), with exports totalling \$100m or more - to share in the latter's extra tax rebate privileges. The FTCCs used to rubber-stamp these deals, but now they are more careful, says Professor Cem Alpar, sec-retary general of the FTCC

pressure group, Turktrade. More pressing economic problems such as rising fuel bills are likely to take the heat out of the dummy export controversy in the autumn. But the opposition and a hostile press have given warning that they will maintain a relentless public scrutiny of the Governtrack record in 1988.

"Our figures showed that

hare had no parallel in other

exports and growth of market

W Germans in Soviet shoe deal

By David Goodhart in Bonn KLOECKNER-Werke, the West German steel and capital goods group, has announced e joint venture with one of the Soviet

Union's largest shoemakers, Skorochod of Leningrad.

The deal coincides with a renewed effort by the Govern-ment's of both countries to forge closer economic links. Trade between West Germany and the eastern bloc has been stagnating in the last few years, mainly because of lack of spare cash in the eastern bloc, and joint ventures remain

rare. Under the terms of the Kloeckner deal, a new com-pany, called Deskor, will be established in the Soylet Union 70 per cent owned by Skoro-chod and 30 per cent by Kloeckner Ferromatik Desma. The latter is a Kloeckner-Werke subsidiary based in Bre-men which specialises in shoe men which specialises in side manufacturing technology. Neither party to the deal was prepared to reveal any finan-cial details. But the deal has clearly been carefully prepared and the two companies have had a relationship going back

to 1984. Skorochod has been borrowing German technical expertise to improve shoe quality, and the German company, which employs 2,300 workers in five plants, hopes to have opened an expanding market for its

Sweden set to curb Japan cars

By Sara Webb in Stockholm

SWEDEN'S FOREIGN Trade Ministry said yesterday that it hopes to see an end to "the excessive development" of Japanese car exports to the Swed-ish market, following signs from Tokyo that the car indus-try is willing to limit sales to

The issue of the alarming surge in Japanese car exports will be taken up again this antumn when officials from Japan's Ministry of Interna-tional Trade and Industry and its Foreign Ministry are expec-ted to visit Stockholm for further trade talks.
Nihon Kelzai, the Japanes

economic newspaper, reported recently that the Japanese car industry has decided to limit its exports to Sweden and hold them at 1987 levels.

Swedish officials claim that 33 per cent to 28 per cent in the Japanese manufacturers have been targeting the Swedish market because of monitoring arrangements and restrictions in other parts of Europe. The number of Japanese car registrations in the Swedish market soared by 80 per cent in

the first quarter of 1968 and showed e 50 per cent rise in the first half year, causing considerable alarm at the Swedish Foreign Trade Ministry and from both Volvo and Saab-Sarvit the Swedish streets. Scania, the Swedish eutomotive manufacturers. Japanese car manufacturers have increased their market share in Sweden from 16 per cent in 1985 to 22 per cent in 1987, while the domestic car

industry has witnessed a decline in market share from

markets - the rapid increase is a result of a laser-beaming of Japanese exports to the Swed-ish market because of restrickets," said Mr Lars Stalberg, assistant under-secretary at

same period.

the Foreign Trade Ministry.

He said Swedish trade officials had won an understanding on the Japanese side to follow the developments and avoid disruption in the Swed-ish market" when the two sides met in April, but that Sweden had not specifically requested restraints on exports. "Any change will take time," he added.

Boat telephones for Caribbean

BOAT-OWNERS will be able to BOAT-OWNERS will be able to make phone calls while travel-ling around the Caribbean, as a result of a venture announced yesterday by Cable & Wireless, the UK-based international telecommunications company.

C&W, which provides telecommunications services in 14 Caribbean countries, has set up a company called Boatphone Marketing, in which it has a 51 per cent stake. Carib-Cellular Telephone, which already runs a mobile phone service in the British Virgin Islands, will own 49 per cent.

The new service will work on cellular technology. A radio station will be placed on each island and, when a boat moves out of range of a signal from one island, it will be handed over automatically to the next.

Although people on land will eventually be able to use the mobile phone service, it will be targeted initially at the maritime community, particularly cruisers and yachts. C&W said that many boats

come to the Caribbean from the US already equipped with cellular phones. They would be able to use the new service, because Boatphone would use standard US cellular equip-

The service is planned to cover the following countries: Anguilla, Antigua, Barbados, British Virgin Islands, Cayman Islands, Dominica, Grenada, Jamsica, Montserrat, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Trinidad and Tobago, and Turks and Caicos Islands.

HK video clampdown

are mounting a major clamp-down on the colony's thriving trade in pirated video tapes and computer software, in a series of raids by customs offi-cers, Our Hong Kong Corre-

ondent writes. The first raid came on Sunday, and was centred on the shopping arcade well-known on Monday by a co-ordinated locally for its wide range of series of raids on 16 shops

THE HONG KONG authorities fraction of the cost of the genu-

ine article.

Swoops on the arcade have become increasingly common over the past year, and this time several thousand com-puter manuals and diskettes were taken away by customs

This operation was followed pirated software selling for a throughout the territory



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ch sarger

and Janet Bush in New York

THE index of leading indicators, the US Government's main barometer of future growth, rose 1.4 per cent in June. The figures, enhanced by June's factory orders which showed a 5.5 per cent increase – the largest rise since Decem-ber 1970 – confirmed that the economy was still expanding at

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a healthy rate. Wall Street analysts said yesterday's economic figures taken together signalled that the expansion still had a lot of momentum and that the threat of higher inflation remained a

they issue.

This was echoed in the US Federal Reserve Board's Tan Book, compiled from reports from regional Federal Reserve banks which will be used for discussions at the next Federal Open Market Committee meet-

ing on August 16.
The Tan Book concluded. that the economy continued to expand but that growth was patchy with sluggish activity in some areas and a moderate

or strong performance else-where it noted generally lacklustre retail sales but moderate to healthy gains in manufac-turing sales and orders.

chagrin of his tolerant family.

Alf's catchphrase is, in the Spanish dubbing, no hay prob-lemas (there are no problems).

Another weekly television programme which takes a satirical look at Argentina, has

hit on the idea of referring to the country's president, Mr Raul Alfonsin, as "Alf." His

catchphrase is hay problemas! (there are problems).

A belated attempt to cure those problems is now being made by Mr Alfonsin's Government, almost five years after

he took office in December 1963, with a package of wide-ranging economic reforms. But

party is to stand a chance

against the confident Peronist opposition he has to shed his cartoon character credibility

and bring the economy to heel Both he and Mr Juan Vital Sourouille, the Economy Minis-ter, are widely unpopular. Mr

Alfonsin's one claim to a place in history is that he returned Argentina to democracy follow-

On inflation, the Fed warned that some capacity constraints and shortages had developed and materials price increases were widespread.

Yesterday, the Commerce Department revised the leading-indicators for May to a decline of 0.8 per cent compared with an earlier 0.1 per cent fall. Equally April's revised increase of 0.3 per cent was smaller than the earlier figure

of 0.5 per cent.

The factory orders appeared unduly influenced by the relaxation of a short-term freeze in Pentagon spending.
Orders for aircraft and mis-

he is running out of time.

Fresh presidential elections should be held by June 1989 and if Mr Alfonsin's radical siles rose 67.8 per cent in June, while shipbuilding and mili-tary tank contracts rose 814.7 per cent. Excluding the defence component, factory orders rose 2.7 per cent in June, after ris-ing 0.2 per cent in May.

Alfonsin attempts to revive his withered laurels

Stephen Fidler and Gary Mead report on a belated effort to cure Argentina's economic problems

NE of Argentina's most popular television pro-	Ratio of to	otal int	erest p	aymen	ts to e	xports	(%)
grammes is a US'		1982	1983	1984	1965	1986	1967
import depicting the daily life of an American family invaded	Latin America	41	36	36	35	36	31
by a small, ugly creature from	Argentine	54	58	58	51	53	56
by a shan, ugly creature from .	Brazil	57	44	40	40	41	35
outer space called Alf. Alf is	Chile	50	39	48	44	39	27
always coming coming up with	- Mexico	47	- 38	39	36	38	28
bizarre schemes which go wildly wrong to general hilar-	Venezuela	21	22	20	26	33	26
ity for the audience but to the	Source: ECLAC						

ing the debacle of the Falklands invasion in 1982. But Mr Alfonsin knows his laurels have withered.

There will be those, particularly outside the country, who will argue that the new economic austerity package does not do enough to attack the chaotic fiscal system which is the main cause of the country's problems.

Economists such as Mr Paul Luke of Libra Bank, the Lon-don-based consortium bank which specialises in Latin American lending, say a large measure of the blame for the country's economic plight should be laid at the door of the tax system.

In a country of 30m people, only 50,000 pay incoma tax, which accounts for just 1.5 per cent of measured gross domestic product.

Mr Luke says a reform of the tax base is badly needed. At twice the average income, he points out, the marginal tax rate is 16 per cent. At the same time, Argen-tina's public enterprises have

requiring huge transfers of resources from the Government. Over the last 18 years almost \$47bn has drained into the public sector. Of that, 40 per cent came from central government; another 36 per cent remains as unpaid debt. The World Bank has encouraged measures to address the problems, but much remains to

been notoriously inefficient,

The black economy is huge, encouraged by inflation. It is estimated that the black economy is almost two-thirds the size of the official economy and has been growing. This may be why industrial output dropped 23 per cent between 1974 and 1985, but industrial use of electricity grew 51 per cent over the same period.

Yet any prehense to tackle

Yet any package to tackle inflation which depends on a tight monetary policy will be regarded with scepticism.
The 1985 Austral plan, designed as a shock treatment for inflation, foundered after early success, partly because the money printing presses

continued to work overtime, driven by the fear of what would happen to shaky provin-cial banks if they were denied access to the central banks'

major debtors, Argentina pro-vides the greatest challenge to the conventional approach to the debt crisis, which calls for new money from commercial and official leoders and appropriate economic adjustment. Thus it represents the greatest challenge to the Baker Plan, outlined by Mr James Baker, the US Treasury Secretary, in

once more, those who are bet-ting on a successful resolution to the problem within the context of the conventional approach to the debt crisis are m a minority.

normonsly powerful standards of its members.

Argentina inflation (% monthly change) discount window.

Bankers agree that, of the July 1987 Jan

With the elections holding out the prospect for populist Peronist rule in Argentina

vested interests in Argentina will collaborate to prevent the success of the plan. The General Coofed-eration of Labour, Argentina's central trade union organisation, has already promised to fight any measures which will depress even further the living At the same time a large number of inefficient manufac-

turers who depend on state contracts for their income will

do their best to frustrate the

Equally, it is difficult to escape the sense that, up to a point, Argentina's problems are largely of its own making. The late General Peron.

hardly

Argentina's former president, determined that Argentina would have a form of national socialism in which the state would own and run all major and a number of minor - indus-

Thanks to Mr Peron, Argentina now has the most power-ful trade unions in Latin Ameraod a series of nationally-owned industries which are inefficient and expensive to maintain. It has the only oil industry in the world which consistently

world which consistently makes a loss.

But Mr Alfonsin's judgment is right in one respect. What Argentines care about is not the ritual being played out in the Federal Appeal court, where a weary group of exarmy officers are on trial for their responsibility for the Falklands fiasco. The ordinary person who, when the banks did not open on Monday this week, went into the nearest supermarket to panic-buy food and household goods, is more concerned about inflation and concerned about inflation and prices than generals and

1988

already crippled plans to pri-vatise the public sector.

Together, these two sectors are already planning their

future relations with the politi-cian who now claims to be the

most popular man in Argen-

tina, Peronist presidential can-didate Mr Carlos Saul Menem.

Though Argentina is going through relatively hard times it is far from being devastated.

A oation which complains because its per capita con-sumption of red meat has

dropped from more than 100 kilos e year to about 70 is

which Ethiopians or even Bra-zilians would understand.

suffering in the way

human rights. Wealthy and white-collar Argentines are increasingly alarmed by the prospect of their standard of life dropping to a level they generally regard as being more appropriate to their poverty-stricken Latin American neigbbours. For a growing number of their fellow countrymen, that standard is just around the corner.

Thrift policy 'must be given more time'

By Anatole Kaletsky in New York

THE Reagan Administration had evaporated. He suggested yesterday urged Congress to ignore calls for more energetic action to refinance the nation's motivated by a desire to prop collapsing savings and loan industry, arguing that the Federal Home Loan Bank Board's gradualist approach to weeding out the most insolvent thrift institutions should be given

time to work. . In a Congressional presenta-tion clearly designed to thwart Democratic hopes of making the thrift industry an electoral issue, Mr George Gould, the Treasury's Under-Secretary for Finance, said the Administra-tion was "not in the mood for a

budget-busting bail-out."
Mr Gould rejected the view of the industry and the Gov-ernment's General Accounting Office that the costs of resolving the thrift industry crisis were mounting daily as insolvent institutions continued to pay high interest rates on authorised by Considerosits where asset backing year to August 10.

them up with taxpayers' He said the FHLBB's recapi-talisation plan, which allows

the government-backed agency to borrow \$3.75bn a year to pay for S&L rescue, was working. The FHLBB would be technically insolvent to the tune of over \$10bn according to generally ally accepted accounting prin-ciples, the GAO said in its lat-

The FHLBB said yesterday its subsidiary, Financing Cor-proation (Fico), had raised \$250m in the New York capital market through a private bond placement arranged by First Boston. This latest bond issue brought to a conclusion the \$3.75bn borrowing programme authorised by Congress for the

Vassiliou shows | Reagan 'will optimism on Cyprus talks

By Andreas Hadilpapas in

PRESIDENT George Vassiliou of Cyprus said yesterday the omens were good for a negoti-ated settlement of the Cyprus

Addressing the National Press Club in Washington after two days of talks with the Reagan Administration and members of Congress, Mr Vassiliou said he had found "sincere and strong interest" in Cyprus.

He stressed that the role of the US could be instrumental in the search for a settlement of the divided island's problems.

lems.
Mr Vassilion, who was elected president last February, said he wanted a solution and added that he was prepared to be "flexible in the process to bring about at long last the reunification of our coun-

mr Vassilion, a Greek Cypriot, and Mr Rauf Denktash, leader of the Turkish Cypriot community, are due to hold talks at the UN in New York on August 24 under tha auspices of Mr Javier Perez de Cuellar, UN Secretary General. A CONTRACTOR

approve plant closures bill'

By Stewart Fleming in Washington

SENATOR Robert Dole, the Republican Minority Leader, predicted yesterday that Presi-dent Reagan would allow the controversial legislation on

plant closures, which has been approved by approved by Congress, to come into effect.

The legislation, which has been strongly backed by the Democrats and organised labour, requires larger compa-labour, requires larger compa-nies to give workers 60 days' notice before closing a plant. The measure was attached to the trade bill which Congress has also approved, but the White House was threatening to veto the trade legislation largely because of its opposilargely because of its opposi-tion to the plant closures

The Democrats then split the plant closures measure from the trade bill in the belief that if President Beagan that it President leagant vetoed the plant closures, as the White House has threatened, this would damage the election prospects of the Republican Party and Vice-President George Bush among blue-collar workers.

low who silie main contender TOF YOUR FUE DUSINESS?

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Democrats divided over further aid for Contras

By Lionel Barber

CONGRESSIONAL Democrats
yesterday continued to wrestle
over a new aid package for the
Nicaraguan Contra rebels, an
issue which divides their party and their newly-forged presidential ticket.

A domestic crackdown by the Sandinista government and a fragile ceasefire in the eighta rague ceasence in the eight year-old civil war have revived the Contra sid issue after it appeared settled last March when Congress approved a humanitarian package exclu-ding military aid.

After the crackdown, Senate Democrats, wary in an election Democrats, wary in an atention year of being labelled as soft on fighting Communism in Latin America, have been forced to work on a new pack-age. The Republicans, led by Senator Robert Dole of Kansas, have tabled a \$47.9m package with \$20m beld in escrow for arms and ammunition pur-chases after September 1.

chases after September I.
Republicans want to force a
Contra vote in Congress which
would expose divisions
between House and Senste
Democrats and also between
Governor Michael Dukakis of

Massachusetts, the party's presidential nominee, and his conservative running-mate. Senator Lloyd Bentsen of Texas. The senator has consistently backed both military and humanitarian aid.

Senator Robert Byrd of West Virginia, the Senate majority leader, is working on compromise measures including food, clothing and medicine as well as stand by military aid if the Sandinistas do not honour their peace pledges. The hope is to attract some Republican support, avoid a vote and thereby lay the Issue to rest. However, given the divisions

among Democrats, Senator Byrd's efforts are at best an exercise in damage limitation.

• Mr George Simitz, US Secretary of State, arrived in Argentina yesterday on the second leg of his Latin American tour, leaving mutual recriminations behind him in Guatemala, Tim

Coone reports from Managua.

His talks there with foreign
ministers of the four US allies in Central America failed to produce a joint condemnation

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MR NEIL KINNOCK, the Labour leader, yesterday accused Mrs Margaret Thatcher, the Prime Minister, of creating a situation in which there could be a return to the high interest rates and over-where."

Bank and the Government were determined to prevent the rise in the exchange rate and turned their attention sleeping interest rates and over-where."

Mr Kinnock maintained that the market would have calmed four morths are if the Camero. valued pound experienced in 1980-81 and which led to a 20 per cent reduction in Britain's manufacturing base.

In a statement issued at Westminster he contrasted the recent intervention by the Bank of England to stem the rise in the sterling exchange rate with her earlier state-ments opposing such action. Mr Kinnock recalled that in March Mrs Thatcher had said: "There is no way one can buck the market." He added: "So instead the market has bucked her – and even worse has

bucked Britain". Arguing that earlier intervention would have been more effective, he said: "The specula-tors would have seen that the-

GEC-Plessey

System-X deal

wins £18m

exchanges to Kenya.

Both parties to the merger

had previously manufactured and marketed System-X

exchanges separately, the main rationale for the merger being to remove this duplication.

The contract involves sup-

plying the Kenya Posts and

Telecommunications Corpora-

tion with 16 System-X exchanges providing 78,000

exchange lines, as part of the

country's modernisation programme. It includes the supply

of computer-based operator ser-

vices for each exchange. Kenya has previously bought 100 of GPT's smaller UXD5

By Hugo Dixon

four months ago if the Govern-ment had been willing to make clear its resolve to act early and firmly to stabilise the exchange rate and give priority to the competitiveness of Brit-ish producers and exporters. Instead, the Prime Minister and Mr Nigel Lawson, the Chancellor of the Exchequer, had been "locked in a theologi-

cal dispute" followed by an interest rates see-saw. Mr Kinnock claimed that the latest developments had stemmed from the Prime Minister patting the Chancellor on the head "so showing the mar-kets that he has come to heel and they can safely speculate because she does not mind how high interest rates and, there-

fore, exchange rates, go". He emphasised that the bal-ance of payments deficit, interest rates and inflation were all rising. While the speculators and foreign competitors were gaining, British taxpayers, home buyers and producers

were losing.
Questioning whose side the
Prime Minister was on, Mr
Kinnock said: "She might claim to be batting for Britain on her trip abroad, but she is battering Britain with her poli-cies at home."

In a parallel move Mr Gordon Brown, Labour's shadow chief secretary to the Treasury, wrote to Mr Lawson saying that yesterday's figures showing a rise in UK reserves last month did not show the extent month did not show the extent

of intervention

He urged him to follow the advice of the cross-party Treasury and Civil Service Committee and reveal the cost of such

Contractors wary of local services plan

A CONTRACT worth more THE GOVERNMENT'S plan to than £18m has been won by GEC Plessey Telecommunica-tions, the leading UK telecom-munications manufacturer, to mprove the efficiency of local government services through compulsory competitive teudering received a setback yessupply its System-X digital terday when two of Britain's biggest contract caterers indi-cated they would be highly This is the largest export order yet for the exchanges, and the first since GPT was selective in choosing the authorities they would comformed in April, out of a merger of GEC and Plessey telecommunications

pete against. Sutcliffe, a subsidiary of the P & O Group with annual turnover of £200m, announced that its strategy would usually be to work in partnership with local authorities to help them win work for their in-house services. Only rarely would it, make competitive bids of its

Gardner Merchant, Britain's biggest catering contractor and a subsidiary of Trusthouse Forte, said it would only put in tenders for work where authorities were actively seeking change. Mr Gary Hawkes, chairman, said his company would "not go anywhere near" councils, such as Sheffield, which were hostile to the idea of privatising services.

Under compulsory competitive tendering, due to be come into effect in stages from August next year, councils will be required to allow private companies to bid for contracts to run services including street cleaning, refuse collection, catering and leisure manage-ment. Catering is thought to be one of areas most likely to be

The Government intends to use tendering to shake up what it sees as complacent councils, many of them left-wing, into reducing costs, in one sense, its aims are already being achieved as authorities tighten up operations to ensure they are able to compete effectively.

Nevertheless, Sutcliffe's statement means that a major potential source of competition for in-house council catering services will be effectively removed. Gardner Merchant's stance means that left-wing councils, the main target of the Government's strategy, will often be be able to ignore another potential hidder.

Rothschild named as advisers on water sale

N M ROTHSCHILD and Sons, the merchant bank, has been appointed to advise the Water Authorities Assocation on the privatisation of the water industry in succession to

industry in succession to Kleinwort Benson, which withdrew recently because of a conflict of interest.

Kleinwort dropped out because it was also advising the Government on the sale of the electricity supply industry. The two privatisation bills, on water and electricity, will be going through Parliament next session and the bank decided it could not advise on both. could not advise on both.

Rothschild, too, is heavily involved in electricity privati-sation but does not face the same conflict of interest. It is advising the 12 area electricity boards that will distribute power, unlike Kleinwort which was adviging the Covernment. power, uninke klemwort which was advising the Government on the electricity sell-off.

Nevertheless, Rothschild will still face the difficult task of handling the two huge simultaneous privatisations.

The difficulty was be applied.

The difficulty may be eased, however, as the Government is now considering putting the water privatisation hill through Parliament first and allowing a short "breathing space" before proceeding with electricity. A final decision will be made on this before the House of Commons and House

of Lords resume in the autumn A spokesman for the Water Authorities Association, which represents the 10 authorities of England and Wales, said it was satisfied that there was no conflict of interest

It is clear that Rothschild's extensive experience in privati-sation weighed heavily in its appointment by the WAA against competition from other msrchant banks. It was involved in the privatisation of British Gas, Rolls-Royce and the controversial BP privatisa-

The company has two strong teams in place to tackle the two privatisations and their work will be co-ordinated by Mr Michael Richardson, its head of corporate finance.
The immediate task will be to advise on the restructuring of the water authorities and on regulatory matters as the Govtument's legislation emerges.

Atomic energy body seeks new technology role in Europe

A NEW role for the UK Atomic Energy Authority as Europe's most powerful research and technology organisation has been forecast by Mr John Collier, its chairman.

Mr Collier, questioned about government plans to end its

£105m fast reactor programme, said it would be entering new European markets under the banner of AEA Technology. But he also held out hopes that its 250MW fast reactor at Dounreay. Caithness, in the north of Scotland, might sur-vive until the late-1990s, instead of closing in 1993 as the Government announced last

If a better tariff for electricu a petter tariff for electricity from the reactor could be negotiated with the privatised Scottish electricity industry, it might be possible to keep it running until 1998-2000, hs

A doubling of the present tariff of about 1.45p a kilowatt-hour would allow the authority to run PFR on a self-supporting



John Collier: emphasis on non-nuclear markets

basis, said Dr Brian Ayres, board member for research programmes.
Mr Collier, presenting the anthority's annual report, said. he gave highest priority to end-ing its "over-dependence" on

lts non-uuclear business, growing at 10 per cent a year, had to grow faster. Any com-peny with technical problems would be mad not to consult the largest research and devel-opment organisation in Europe, he said."

Its activities for the petro-

the electro-unclear industry, and to opening new non-nu-clear markets in Britain and

leum industry earned £7m last year, Mr Collier said. Defence. space, pharmaceuticals and process engineering were other non-nuclear activities in which it was already involved. Among our less publicised

akils, we can carbou-date ancient relics, cut a suit using laser beams and dry out antique books without destroying their delicate paper," he claimed. With the unclear demands on its time diminishing, these

skills were becoming available to overseas as well as UK

that these patents are valid for

only another five or six years.

BTG still has hopes of persuad-

Anglican leaders vote for women bishops

eign c

ANGLICAN CHURCH leaders have supported the consecu-tion of women bishops by a

tion of women bishops by a decisive majority.

The decision by 423 votes to 28 at the 10-yearly Lambeth Conference, means that autonomous Anglican provinces around the world may appoint women bishops if they wish. But no part of the church is obliged to have women bishops — and both sides in the argument raging amount the clergy have been told to respect each other's standpoints.

Dr Robert Runcie, the Arch-

Dr Robert Runcie, the Arch-bishop of Canterbury, is to set bishop of Canterbury, is to set up a commission to oversee and monitor the appointment of women hishops. The subject has dominated the first two weeks of the meeting of church leaders at the Univer-sity of Kent at Canterbury.

Strong opposition to the concept of women bishops continues within the church, however. It comes mainly from Bishop of London, Dr Graham Leonard, who insisted that he would never accept a woman hishop. "I would not be able to accept her having normal epis-copal qualification," he said.

Dr Runcie said: "The final Dr Runcie said: "The final reception of this as a custom within our church, as a tradition in our church, will wait upou its general acceptance — and obviously that does not happen lu a

The controversy over the role of women was heightened because of the American church's wish to consecrate the world's first woman bishop next month.

BTG almost doubles profits

By David Fishlock, Science Editor

RETURN to healthy profitability is reported by the British Technology Group, the state-owned agency for technology transfer, following a year in which unexpected set-backs had reduced earnings. BTG also reports that Toshiba, the biggest Japanese maker of nuclear magnetic resonance (NMR) medical scan-ners, has agreed to pay it roy-alties on the use of British patents, following earlier agreements with General Klectric of the US and Hitachi.

Coopers & Lybrand, on behalf of the Department of Trade and Industry, as a potential candidate for privatisation. "Business as a whole is still progressing well," said Mr Colin Barker, BTG chairman, presenting his annual report. Pre-tax profits almost doubled to 56.22m last year, on total revenues from licensing and industrial projects of 221.4m. BTG also doubled the revenue

ing Siemens and Philips in Europe to pay royalties on their sales of NMR scanners. About 50 out of the Group's 500 or so ongoing projects are identified as potential money-spinners for the 1990s. They

included an anti-anxiety drug licensed to G. D. Searle, a US group, now part of Monsanto; and machinery which it hopes shared with its inventors to £3.18m – mostly drawn from the portfolio of NMR patents. will be the next major develop-ment in grain harvesting. However, Mr Barker warned

Political boundaries set for review

By Peter Riddell. Political Editor

BTG is being investigated by-

THE SHAPE of England's parliamentary constituencies, each of which returns its own member to Westminster, is likely to be reviewed shortly after the next general election: somer than had been expected. The regular reviews of par-liamentary boundaries have considerable electoral and political significance, reflecting as they do a long term shift of

population away from inner city areas – generally strong-holds of Labour Party support – to the Conservative suburbs and rural towns.

Just before Parliament rose for the summer recess, Mr Douglas Hurd, the Home Secre-tary, announced that the Parliamentary Boundary Commission for England was obliged to life of the next parliament, report between February 1, which could last from 1991-92.

.1993, and January 31, 1998, The exact timing and conduct of any review is a matter for the commission. However, he added, "I under-

stand that, at present, the commission hopes to submit a report to me as early as it can within the statutory period." This implies a report in the

until 1995-97, depending on the timing of general elections. The last review, in 1983, is estimated to have cost Labour. 15 to 20 seats in the House of Commons, through elimination of small inner city constituen-cies and the creation of suburban and rural ones. The changes could be smaller next time, but are still likely to be adverse for Labour.

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FINANCIAL TIMES

Aviation to the End of the Century

The accelerating pace of expansion in commercial aviation worldwide and the impact this will have on all the existing facilities for the rest of this century will be the subject of the Financial Times latest conference to be held in London on 30, 31 August & 1 September, 1988 just before the Farnborough International Air Show.

Speakers will include:	Frederick W Bradley Jr
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and his roth.

a fall in the overseas earnings of UK banks. However, total City earnings from abroad were still more

Overseas earnings amounted to £9.4bn in 1987 of which £4.8bn was accounted for by the insurance sector and £1.4bn by banking institutions. In 1986, the total was £9.9bn.

The fall is likely to be interpreted as of some concern for the Government because overseas earnings from the City help to pay for imports of goods and services into the UK. However, the Treasury said recent years had seen substan-tial growth while the latest figures largely reflected a pause

in one area. The fall in bank earnings resulted mainly from a increase in net interest paid abroad by the sector. This rose from £1.1bn in 1986 to £2.8bn in

This is probably explained by smaller margins on lending
perhaps reflecting stronger
competition. Earnings of the
sector could also have been
affected by provision for Third

ned gilt-edged stock. The issue follows three experimental auctions since May last year. It will cover an additional tranche of existing

8% per cent Tressury stock

due for redemption in 1994 and

will be partly paid.

The size of the issue is slightly smaller than expected by most analysts and is thought to reflect the buoy-

ancy of government finances, which has reduced the need for

large borrowing. The Bank of England has said it expects to

hold another auction of up to film of stock early next year. The latest issue is thought to

Foreign earnings by institutions drop 5 per cent

of the City

1977

82

services continued to grow. Overseas affiliates of UK banks

and affiliates of overseas banks based in the UK both saw a

Among insurance compa

nies, the figures show £2.5bn

insurance companies were slightly above their 1966 level.

City institutions - from £624m

in 1986 to £880m in 1987. This

includes estimates of broker-

age commissions of securities

However, reliable estimates

of the remainder of securities dealers' earnings were not

available. The CSO said arrangements for a comprehen-sive system of statistical

reporting by securities dealers are being discussed by the Bank of England and the secu-

October's stock market crash.
The issue is not free of tax for non-residents, which would

have made it more attractive

on August 10. A balance of 250 for every £100 of stock will be

payable on September 19. Dealing started yesterday on a "when issued" basis, with buyers settling the day after the

Reaction to the announce

Reaction to the amounce-ment was modest, with some mertainty about who would buy the stock. By the end of the afternoon it was trading below its peak of the day although higher than existing stock of the same type because of the adventages of its being

of the advantages of its being partly paid.

The stock closed at £44, giving a yield to redemption of 9.96 per cent. Mr John Shepperd, economist at Warburg Securities, said there was some concern within the market about demand for the stock. There

is going to be some degree of nervoumess before the auction itself," he said.

The metion announcement

includes some minor changes to hidding procedures: Professional investors can bid in thir-ty-seconds-of a pound (the way in which prices are quotes in the market) and the Bank has increased the minimum per-missible hid to £100,000 from

The auction will take place

to overseas buyers.

The drop, which followed seven successive years of growth, was mainly a result of

than 1% times greater than in 1983, and more than five times larger than in 1979.

The figures, compiled once a year by the CSO, cover identified earnings of institutions defined as being part of the marked decrease in earnings.
The CSO said the figures are

unlikely to have been dramatically affected by October's stockmarket crash. The fall in City of London. They include the earnings of securities dealers, unit trusts, pension funds, commodity share prices would not have affected interest payments and brokers' commissions may even have been boosted by the traders and export houses as well as banks and insurance

high turnover in the immediate aftermath of the crash. was earned from abroad from underwriting lat year – little changed from 1986. Overseas earnings of subsidiaries of UK There was a marked rise in earnings from brokerage by

UK banks saw a small fall in portfolio investment income Bank of Englan last year but earnings from ritles industry.

Bank plans £750m

THE BANK of England have been aimed largely at yesterday announced the issue, building societies, which have by auction of \$750m of short, seen hig inflows of cash since

auction of gilts By Raiph Atkins, Economics Staff

Way clear for early privatisation of steel

By Nick Garnett

BRITISH Steel Corporation will become British Steel plc from September 5 as part of the legislative changes leading to the flotation of the business, almost certainly in November.

The British Steel Act enabling this to bannen

enabling this to happen received royal assent at the end of last week and the Government announced yesterday the date for formally trans-forming the corporation into a public limited company.

The Crown will continue to hold all the shares in the business until flotation when the corporation will be privatisa-tion under the British Steel

"The corporation's recent record profits of £410m for the last financial year show that it is now ready to stand on its own feet in the private sector." Lord Young, the Trade and Industry Secretary said.

"The way is now clear to proceed to privatisation as soon as practicable." Sastchi and Sastchi was cho-

sen last week out of a list of six companies as the advertising agency for the flotation. The flotation's advertising hadget

will be between £6m and £10m. The flotation is expected to raise between £2hn and £2.5hn.

Nottingham City Technology College spearheads education reform

Hard work, no play at city school

By David Thomas, Education Corresponden

ONE OF BRITAIN 's most strike, single union deal with innovative schools is planning its employees, which would be innovative schools is planning to abolish summer holidays. The idea is the brainchild of the Nottingham City Technology College, one of a series of colleges being set up jointly by the Government and industry as part of a new initiative to

raise educational standards in the inner cities. They will be non-fee-paying secondary schools, designed for children with a talent for science and technology. Private companies will cover part of their capital costs and be heavily involved in running

the colleges.

Nottingham college, due to open next year, had already disclosed its interest in a no-

the first in Britain's schools. It has now agreed a further raft of measures taking it more desply into unchartered

Out goes the three-term year: Nottingham will have four terms. Out too goes the long summer holiday: Notting-ham's four terms will each be separated by a two-week break.
The customary holiday in the
middle of each term is also

likely to disappear.

The college's pupils will be expected to work hard. There will be a 47%-hour week for popils aged over 15, who will work from 8am to 5.30pm, five days a week. The younger chil-

dren will work shorter hours, but all will go bome to compulsory homework of up to two

Nottingham's structure and curriculum will be unfamiliar too. It will include a centre for industrial studies, which Mr John Ramsden, its project director, bopes to staff with seconders from local industry, believing that areas such as careers advice and vocational training are best handled by people with fresh experience.

Staff recruited so far include the deputy head, who will also be known as the director of finance and administration. and a faculty head, one of whose main jobs will he to oversee links with industry.

Free to determine its own pay arrangements, the college has abandoned the complex salary scales which apply in other state schools. Every teacher who does the same job will be paid the same, although a merit pay scheme modelled on industrial practice may be

introduced later. Nottingham will pay its teachers slightly above the going rate – Mr Ramsden said it would offer £19,250 for a faculty bead, compared with £18,250 in a secondary school of similar size. But it will expect them to work harder - to cope with the longer bours and sborter holidays. "That's another mould we've broken," said Mr Ramsden.

rejected by unions By Michael Smith SHOP stewards at VSEL, the submarine building yard, yes-terday rejected decisively a

> week strike at its main Barrow in Furness yard.
>
> A meeting of the union officials voted by 390 to 13 against accepting the company's offer of introducing fixed summer holidays over three years. rather than in 1989 as it had

peace formula put forward by

the company to end a seven-

Submarine

peace offer

originally proposed.

The decision flew in the face of a recommendation from the national Shipbuilding Negotia-ting Committee, which is part of the Confederation of Shipbuilding and Engineering Unions and took part in discussions between unions and man-agement last week, that the VSEL package be accepted.

The conflicting advice will be considered this morning by mass meeting of workers.

VSEL proposals would mean each worker being given a one-off payment of £200 together with two days' extra pay in 1990 and three days' in 1991 and thereafter. In return they would agree to a ooe-week fixed summer holiday in 1990 and two weeks in 1991 and

Electricians win single union railway deal

By Philip Bassett, Labour Editor

narrowly voted in favour of single-union representation by the RETPU electricians' union - instead of the traditional unions for the railway indus-

A count yesterday by tha independent Electoral Reform Society showed that employees on the rapid transit railway.

the which connects the fast-grow-WORKERS on the which connects the fast-grow-recently-opened London's ing Docklands area to the main Docklands Light Railway have London Underground network. favour of the EETPU against a consortium of the NUR, Aslef and TSSA rail unions.

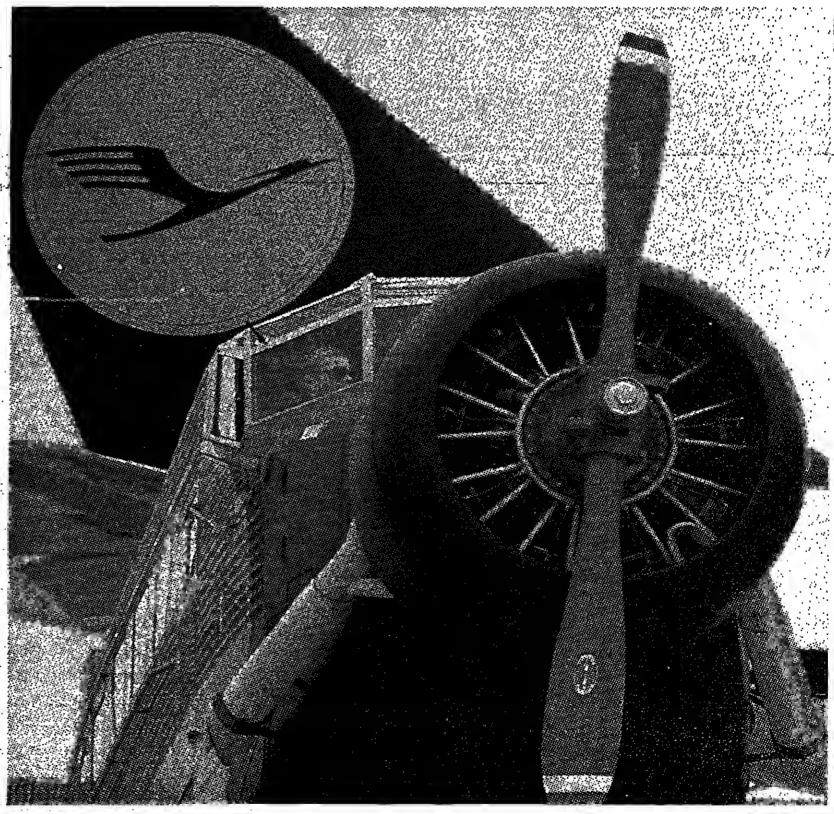
It is the first time in recent British industrial relations that employees, rather than employers, have chosen between two unions on offer to

It is also the first real test of recognition between competing unions since the EETPU was suspended from the Trades Union Congress for refusing to withdraw from two of its controversial single-union, strike-

EETPU leaders said that the vote had been inflnenced by the dispute between the union and the TUC, which looks likely to lead to the RETPU's expulsion at the TUC Congress next month.

The DLR's employee arrangements are not wholly in line with the EETPU's other single-union deals, but some of their main features - only one union being recognised, and a company council which reaches agreement on pay and conditions - closely follow those of similar EETPU deals.

Aviation history and Lufthansa



grew up together.



Lufthansa

JOBS

How living costs vary around the world

By Michael Dixon

Living cost index

100,0 98.8 96.8 93.5 93.5 92.3 91.0 90.4 89.2 86.9 85.7 85.2 85.2 85.2 85.2 85.2

FROM the Jobs colur viewpoint, a good many of reeders seem to be gli trotters if not flibbertigib. Hardly a week goes by with one or two folk calling to they have been effected to they have been offered e from Nasty (Hertfordship El Dorado, or something and wonder how much they would need in the location to preserve accustomed style of life.

That is always an extre complex question because

answer depends on so ma fectors. Small variances even e relatively few miles i large country, for instance can make a notable difference. So does time, of course. While many organisations compile measures of worldwide living costs, by the time they are published the information on which they are based tends to be out of date.

Nevartbaless todey I am offering comparative figures on such costs in e range of places, which readers will be able to update to give at least a rough gauge of differences for a fair time to come. The figures, shown in the table up there to the right, are drawn from the P.E Inbucon management consultancy's latest survey of internetional taxation and costs of living. All I have room for here is hut a minuscule extract from the full report. Anyone wishing to know more

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110.0 107.4 104.7 104.3 103.6 103.0 101.9 101.8 100.8 100.2 100.0 of the consultancy at Park House, Wick Road, Egham, Surrey TW20 0HW; telephone 0784 34411, fax 0784 37828. A drawback of most living-cost measures available is that they tend to be based on the

they tend to be based on the spending pattern of people of eome particular sort. The United States "Washington Index" is tailored specifically to US nationals employed abroad, for example, and the index compiled by the United Nations is patterned on its own staff ground the slobe. staff around the globe.

With e view to ironing out some of the variances, P-E Inbucon takes half a dozen

widely used measures and, wherever at least three cite fairly consistent costs for a location, averages them out. The result is an "Index of

UK, London
Oatar, Doha
Spain, Madrid
Bahamas, Nassau
Luxembourg
Jordan, Amman
US, Los Angeles
Trinidad, P of Spain
US, New York
Oman, Muacat
UAE, Abu Dhabi
Greece, Athene
UAE, Dubai
South Korea, Seoul

South Korea, Seoul Singapore Canade, Toronto

Australia, Sydney Czech'vakia, Prague Saudi Arabia, Jeddah

Bahrain, Manama

Kuwait US, Washington

234.25 1.47

14.78 11.78 7.52 2.58 11.94 11.09 0.52 0.65 0.58 53.63 21.94

1.17

2,318.00 65.35 3.51 3.13 19.25

The result is an "Index of Indices" this year covering 130 places, of which my table includes 66 ranked from the most to the least expensive.

The first column of figures after each place's name gives its living cost index. It is produced by taking the cost in the place concerned of e range of goods and services typically used by expatriate families. used by expatriate families, and expressing that cost es a percentage of the combined prices of a comparable range of

items in London. Alas, since the question of what is a proper standard for house prices is much like "how long is a piece of string?", no account is taken of them. The following column gives some idea of inflation in the country concerned. The figure cited is in every case the latest annual inflation rate available at the date when the index of indices was compiled: April 1 1988. The table is confined to

1.00 6.84 208.40 1.89 65.35 0.63 1.89 6.77 1.89 249.10 3.77 2.33 0.71 0.51 1.89 2.54

been used for Belgium and South Africa, and the tourist rate for Czechoslovakia. My object in giving those four-month-old exchange rates is to provide the means of adjusting the indices in lina with market movements. The places with rates below 15 per cent. Hence the absence of Argentina, Brazil, Egypt, Israel, Nigeria, Poland and so adjustment can be made for each place by taking the rate for its currency cited here, dividing it by the rate in force

Cyprus, Nicosia
Indonesia, Jakarta
Hong Kong, Victoria
Portugal, Lisbon
Tunisia, Tunis
Kenya, Nakrobi
Malaysia, 'K Lumpur
Morocco, Casablanca
Thalland, Bangkok
China, Beljing
Panama, Panama C
Philippines, Manife
S Africa, Jo'burg
Sri Lanka, Colombo
Jamalca, Kingston
Zimbebwe, Harare
Pakistan, Karachi

Pakistan, Karachi

india, New Delhi Botswana, Gaborone Bolivie, La Paz Swaziland, Mbabane Hungary, Budapest

et the later date, and then multiplying the result by the index number in the table to produce an updated index.

Which said, I am left with two regrets. The first is that, in a paper with an increasingly international clientèle. I have had to place the index on a had to place the index on a specifically UK base. But I'm told that converting the basis to some other currency should still give a tolerable albeit rough idea of relative costs.

The second regret is that, begins officed a do it recursely.

having offered a do-it-yourself 66-centre living-cost estimator. I shall probably no longer hear from as many people bound for intriguing places, such as....

Developer

% fi = 5.4 0.84
14.5 3.121.41
6.3 14.70
8.9 255.70
11.5 1.53
12.0 31.85
3.0 4.83
10.0 14.79
3.6 48.00
10.0 6.96
3.0 1.89
5.0 39.10
14.7 3.99
10.2 58.00
7.5 10.13
9.3 3.22
7.0 33.20
8.0 25.50
7.0 3.19
11.0 4.23
13.3 3.99
10.5 88.56

82.4 80.9 80.9 79.7 78.1 777.3 75.2 74.4 73.7 72.8 70.9 68.9 66.0 66.0 64.1 63.0 81.2

rate in terms of how much of the particular local currency could be bought for £1 on April 1 1988. In three instances,

where more than one rate is

quoted, a choice had to be made. The commercial rate has

6.3 8.9 11.5 12.0 3.0 10.0 3.0 5.0 5.0 7.0 11.0 13.3 10.5

ATHENS, where consultant John Piperogiou of the Stedima company wants someons to manage and develop all the corporate client activities of an international bank's operation in Greece. As he may not name his client, he promises to abide by requests not to be identified

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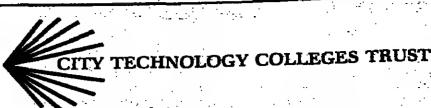
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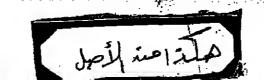
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that they do not know what their role is. Life at the school's Regent's Park premises is very comfortable, they say but nobody knows where the school is going. There is no sense of common purpose.

Wa are more a federation of independent entrepreneurs than a cohesive institution," one senior member of the faculty says. This does have its advantages, says John Hunt, professor of organisational hehaviour, in that it makes that it makes for diversity and cre-

But he and his colleagues recognise that they will, together, have to make some important decisions over the next few years. The creation of a single European market in 1992 will sharpen the debate over whether LBS should be primarily a British or an international school. The current drive to improve the

education of Britisin's 2.75m managers presents LBS with another dilemma: should it provide for the training needs of a large number of managers, or should it be a centre of academic

excellence?
Added to this is the difficulty that all business schools have in recruiting competent staff at salaries far lower than they would earn in finance or than they would earn in finance or industry. LBS is concerned, too, about the future of its government grant. Last year, the University Grants Committee cut its funding by 20 per cent. Some, like Professors Brian Griffiths and Hugh Murray of City University Business School, believe that business schools should manage without any

schools should manage without any over we financial assistance from the state.

LBS will face these challenges man...

Two cipal, Peter Moore, steps down next heen a summer. The search for his successor dates. has already begun. Moore is a courteous and approachable man, but his colleagues allege that he has failed to provide the school with the focus and

colleagues allege that he has failed to provide the school with the focus and leadership that it needs.

Moore himself says that the school has achieved significant successes since he hecame principal in 1984.

"We have expanded steadily," he says.

"We have built a new building. We have lived through the traumas of the poh. His colleagues seem lukewarm about the idea. "One could do a lot worse," says a member of the teaching staff. "Equally it doesn't sound an exciting appointment. I think we want someone who's a strong leader with a sense: of vision and mission."

Derek Abell, the dean of linede, a rival school in Lansanne, has also been mentioned as a possible principal for LBS. Abell says, however, that he will definitely apply for the joh. His colleagues seem lukewarm about the idea. "One could do a lot worse," says a member of the teaching staff. "Equally it doesn't sound an exciting appointment. I think we want someone who's a strong leader with a sense: of vision and mission."

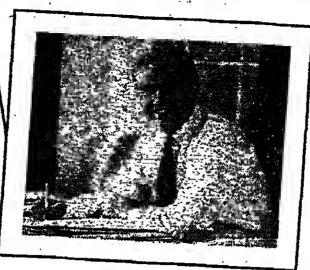
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Derek Abell the dean of linede, a rival school in Lansanne, has also been mentioned as a possible principal for LBS. Abell says, however, that "whatever anybody at LBS thinks, nobody has discussed it with me." He is a candidate

we had 250 press cuttings a year five years, ago. Now we have 1,500 press. cuttings. We have also got our Royal Charter. The Charter, awarded in 1986, made LBS a university in its own right.





what Cambridge was," he says.

LBS "seeks to study and analyse business and to teach what it knows to as good a group of students as it can get. That's importantly different from educating an elite group of managers. If you were educating an elite

group of managers you would start with what those managers need to

Instead of starting with what man-

agers need, Handy says, LBS academics pursue the research that interests

them and "then share what they

know with their students. That's very much the university model. I think

its Centre for Economic Forecasting,

research centres, including the Insti-

John Hunt (left): expected to apply for the post of principal of the LBS after Peter Moore (right) retires

LBS: in urgent need of a sense of direction

As Britain's premier business school begins the search for a new principal, Michael Skapinker outlines the dilemmas that will confront him

years as deputy principal. At the time of his appointment, some on the LBS says that nobody has asked him to governing body argued that an industrialist should be appointed instead. A similar debate is taking place today governing body argued that an industrialist should be appointed instead. A similar debate is taking place today over whether Moore should be succeeded by an academic or a business-

Two LBS faculty members have heen mentioned as possible candi-dates: John Kay, the research dean, and John Hunt, Kay says he is not interested. "It's not particularly what I want to do with the next five years of my life," he says.

head the merged school.

96, made LBS a university in its
when names of industrialists are
discussed, one that keeps coming up
Moore became principal after 12
is that of Sir John Harvey-Jones, for-

Whoever becomes principal faces a difficult task. "It's going to take a very unusual individual," says Dean Berry, who began teaching at the school in 1966, served as dean of Insead, the international business school in Fontainebleau, in the 1970s, and now teaches at LBS part-time. Everybody will say they want strong leadership. They mean they want strong leadership over someone else." For the new principal, Berry says, "there's a substantial rebuilding job. Somebody's going to have to come in and build some institutional pride."

Apart from persuading a talented and individualistic faculty to focus its attention on some common objectives, the new principal will have to settle the question of how academic and research-oriented LBS should be. Charles Handy, a part-time LBS professor and the author of a major

report on UK management education, believes that the school's individualistic culture is the direct result of its academic origins. LBS began in 1965 as part of London University.

Tuniversity academics typically see themselves as researchers and teachers of their particular subject rather than as part of a corporate entity. "If you went to Cambridge University you wouldn't find a consistent view of what we can teach or which will be of

erally. We have done work on things like the domestic appliance market throughout Europe which showed that it is not one market but a series of domestic markets. It's those sorts of things that the research is going John Kay, who becama research

use to business and the economy gen-

dean last year, concedes, however, that "research has been seen as an individual rather than a school activity. One thing I would like to do is develop a more coherent strategy, with our own publications and more organised press communication."

Whatever its shortcomings, LBS's research is the envy of the other European schools. Insend has embarked on a major effort to increase the amount of research it does. The International Management Institute is also devoting more time to research.

Where Insead, IMI and Imede believe they have the edge over LBS is in the international environment they offer. Although Insead is based in France and IMI and Imede in Switzerland, all three schools draw their staff and students from all over the

staff and students from all over the world. By contrast, LBS's faculty is overwhelmingly British, as are the majority of the students.

Elroy Dimson, the director of Loudon's MBA programme says he feels "very hard done by that others perceive that Imede and IMI are more international. LBS is in London. There are so many people passing. There are so many people passing through Nobody passes through Lau-sanne. Nobody passes through Fontainebleau. You can never say that LBS lives in a vacuum.'

Of the 120 students who have just completed their two-year full-time MBA courses, 89 per cent were non-British, representing 27 countries. Of the UK students, 31 swapped places for a term with students from husi-ness schools abroad, further enhancing the school's international flavour,

Dimson says.

To some, like John Hunt, however, the school still concentrates too much on British issues. "1992 is as hig a challenge to us as to anyone else," he

Not everyone agrees. John Kay says while the school needs to have interthe school, consciously or uncon-sciously, is set in that mould. national faculty and students, "in the end, our mission is primarily to improve the quality of British man-agement."

Scholary, is set in that mount.

One former member of the faculty says that in any husiness school, "there's always this tension between research and being a professional school." In recent years, he says, LBS "has tended to veer in the direction of heatening more sended." This, too, is an issue the new princirains, too, is an issue the new printer-pal will have to settle. The market for international MBAs is becoming increasingly competitive. Inseed has acquired an enviable reputation. A merged school comprising IMI and Imede would be an attractive option becoming more academic."

The research for which LBS is best known are the economic forecasts of for upwardly-mobile managers.

Nor can LBS rest on its reputation as Britain's top school. Schools like Ashridge are already winning praise headed until recently by Professor Alan Budd. The school has six other for their innovative approach to man-agement development. Perhaps the greatest threat, however, will come from two universities whose internatute of Finance and Accounting, the Public Sector Management Group and the Design Management Unit. Peter Moore rejects the charge that much of LBS's research is too theorettional reputation no European institute could hope to better: Oxford and Cambridge, both of which are talking about introducing MBAs of their own.

Training

Back to school

David Thomas analyses a study of whether company practice might benefit teachers

anagement is all the rage in Britain's training.

This conclusion is based on by financial pressures and having to cope with the Gov-ernment's educational reforms, head teachers are taking an interest in the management of their resources as never before. Talk of the head as the chief executive is

becoming commonplace.
Yet most teachers, including heads, are painfully aware of their lack of management expertise. Their training has typically been confined to classroom and curriculum matters. The Department of Education, responding to the concern, is ploughing money into management training for heads and governors.

Set against this background, Nick Minton had a bright idea. A teacher in the London borough of Enfield, he set out to study how companies train their managers, with a view to coming up with recommenda-tions for improved managetions for improved management training for teachers. He applied for a fellowship at Homerton College, a specialist education college in Cambridge, which allowed him to do just that.

Minton spent much of 1986 in the management training

in the management training sessions of a clutch of Britain's higgest companies. They included not just British Petroleum, which sponsored Petroleum, which sponsored the Homerton fellowship, but also Barclays, British Gas, the Electricity Conneil, Ford, Marks and Spencer, RMC, J Sainshury, W.H.Smith and Wellcome. Minton must have hecome one of the hest informed manuals in British informed people in Britain about how the blue chips train their managers.

Minton emerged convinced that much of the content and many of the techniques of industrial training could be transferred to the educational sector. The two spheres "have substantial areas of mutual concern and interest when it comes to staff development and training needs," he con-cludes in his report, newly published by BP's educational

service. He goes further by calling for an exchange of training personnel. There seems to be considerable potential for some system of reciprocal secondment between industrial training departments and cen-

the assumption that industrial trainers have as much to learn from teacher trainers as vice versa. But, reading between the lines of Minton's report, one wonders.

Many of the recommenda-tions for teacher training flow-ing from Minton's project are stunningly naive. Thus, hav-ing spent hours studying how some of the best and brightest of Britain's companies train their managers, Minton advises teacher trainers that "different people learn in dif-ferent ways" and that "a gen-eral understanding of human behaviour would probably be of interest to many teachers."

The report continues in equally Pooterish fashlon about time management (it helps), communication (the ability to communicate is not innate), meetings (some are badly organised, pointless and a waste of time), interviewing (interviewers should be trained), financial manage-ment (ditto) and delegation ("there is, after all, more to delegation than just telling someone what you want him/ her to do and then letting him/ her do it.").

There are two possible con-elusions to draw from Minton's report. Either senior teachers are already being trained in the elementary skills described in the report, hnt Minton does not know this. Or the absence of management training for the peo-ple who run Britain's schools is more total than almost anyone imagined.

Plumping for the second option would be charitable to Minton, if not to Homerton College. The second option also implies that industrial trainers have almost nothing to learn from their educational counterparts.
Unless, that is, in helping to

cope with stress. For one of Minton's other conclusions is that "teaching has for some time been regarded as one of the more stressful occupations." By whom?

*There is no worse lie... Industrial management training ond the training of teachers. Nick Minton. From BP Educational Service, PO BOX 5, Wetherby, West Yorkshire, LS 23 IEH Free.

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Chance to exploit a defence invention

DEFENCE Technology Enterprises, a company that aims to commercialise military inventions, has agreed licences with three UK companies to exploit a laser-based analysis technique devised by Defence Ministry scientists.

Bernard Herden, DTE's man-aging director, helieves total sales of products derived from the laser technique could run to £300m over the next decade. Herden says the invention, developed at the Royal Signals and Radar Establishment in Great Malvern, Worcestershire, is one of the most exciting products to have emerged from the company's activities.

DTE, formed three years ago and based in Milton Keynes includes among its hackers Barclays Bank, Lazard Brothers and Robert Fleming. It obtains ideas from Defence Ministry research establishments and places them with companies for commercial ment, in exchange for a royalty fee.

The laser technique is based on a method invented by RSRE scientists for studying the flow of gases from jet engines. A laser shines on the tiny parti-cles found in gas streams; the degree to which the light is scattered gives an impression of a particle's position and the speed at which it is travelling.

DTE helieves the technique could be equally applicable to a range of monitoring applications: measurement of air particles in pollution instrumentation, analysis of water samples and measurement of hiological fragments found in blood.

The biotechnology company Oros, of Slough, which is devel-oping automated purification systems, bas taken out a licence on the invention, which could be used to monitor the size and concentration of mole-

cules in chemical mixtures. Oros believes it could form a sensing device for use in its future products. With the help of the RSRE, the company is attempting first to miniaturise

the optics involved in the laser. The two other companies which have taken out licences have not been named. They are involved with water purification and pollution control.

ast October the world's first fully antomatic toll system was installed on Norway's west coast. It enables motorists to drive through a new 7.7 kilometre road tunnel, which links the mainland town of Aalesund to the islands of Ellings and Valder, without storming or even closing down to naw

stands of enings and valuer, which stopping or even slowing down to pay.

The system, called Premid, was developed by the Norwegian subsidiary of Philips, the electronics group based in Holland. It is the first automatic toll system based on microwave communications to go into operation. communications to go into operation, although a number of others are being developed around the world.

Regular users of the Aalesund tun-

nel have an electronic identity plate about the size of a cigarette packet fixed to a side window of their car or truck. When they pass the toll station, an array of aerials by the roadside aims a burst of low-power microwaves at the vehicle. The identity plate, which contains a tiny memory, reflects microwaves back to the

The reflected signal contains coded information about the vehicle, which the Premid computer compares with the information it holds about the subscriber. If everything is in order, it deducts the NKr 25 (£2) toll fee from his or her account.

In addition to the two barrier-free lanes for Premid subscribers - one in each direction - the Aalesund tunnel has both manned booths and auto-matic machines for people who want to pay by cash or card.

More than 3,000 vehicles a day use

the Premid lanes; this is nearly 60 per cent of the traffic passing through the toll station. Premid allows 1,500 vehicles an hour to go through the toll at peak periods - three times as many as a fully manned station.

Subscribers obtain an identity plate by submitting an application form to the Aalesund and Giske Bridge Company, the private company which operates the toll station, or to a local bank. The form requests details of the vehicle and the type of subscription required; this can be for a specified number of journeys or a monthly or annual ticket.

At the same time, snhscrihers authorise their bank to renew the subscription automatically when it expires and debit their account. This eliminates additional administration

Although the Premid lanes at the toll station have no physical barriers to prevent non-subscribers sneaking through illegally, a sensor on the road monitors every vehicle that passes. If its identity plate is missing or not in order, a red light warns the driver to stop. If he or she still keeps going, a video camera antomatically records the number plate.

In some cases it turns out that the driver is not deliberately defrauding the system but is a subscriber whose plate is not properly installed. He or she is then notified and a correction

Peter Marsh identity plate or no plate at all, the

The non-stop route towards a smart card for cars

Clive Cookson and Karen Fossli report on an automatic toll that heralds the era of the intelligent journey

authorities will fine the owner NKr 300 (£25). They even try to pursue offending foreign drivers by mail.

After nine months of operation, only seven drivers in 1,000 pass through the toll station illegally. Most of these are people who drive through the Premid lane hy mistake and the toll operators expect the number of illegal passages to decrease to about two per 1,000 once people hecome familiar with the system.

Premid is based on electronic iden-tity plates which Philips developed originally to keep track of items moving around antomated factories. Cars being assembled in BMW, Fiat, Audi and Volkswagen factories are equipped with these plates.

The system has several other poten-The system has several other potential uses. For example, Philips is testing the plates for installation on high speed trains operating between Paris and Lyon, in France. This would

An electronic identity plate the size of a cigarette packet is fixed to a side window

enable the distances between trains to be monitored and the information could be used to increase traffic. But it is the automatic toll applica-

tion that has aroused the most interest. Visits have been made to the Aalesund tunnel by representatives from government departments respon-sible for roads in the UK, France, Spain, Italy, Japan and Australia, The EC would like to see European stan-dards for automatic toll systems and it too has taken a keen interest in the

From the UK, Rodney Jones, manager of the notoriously congested Dartford Tunnel, where the M25 motorway crosses the Thames east of London, has inspected the Aalesand toll station. He was impressed by the technology, but does not expect to see a fully automatic toll system installed at Dartford until the early 1990s, when a new hridge will be opened alongside the tunnel.

Jones believes that, if barrier-free lanes similar to those at Aslesund were used at Dartford, several hun-dred cars a day would drive through them illegally without identity plates. "Chasing up the payments would be a bureaucratic nightmare," he says. "It might be better to install the system with a barrier and accept that it

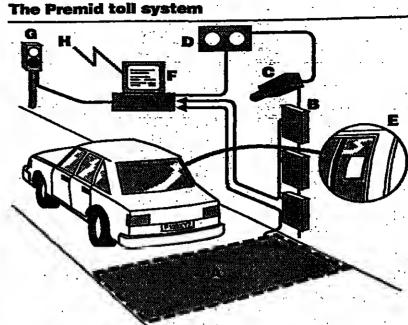
would run a bit more slowly."

Philips is discussing tha possible supply of Premid to Italy. There are about 2,000 entry and exit points on the Italian highway system, which at present have manually operated toll stations. It takes about a minute to complete each vehicle transaction. With Premid, vehicles could drive through without stopping and staffing costs would be much reduced.

Looking to the future, the company says that it aims to measure the speed of oncoming cars to improve the synchronisation of the system. It could then work with cars travelling at 70 mph on a motorway. While Philips strives to improve the

Premid system, competitors are developing similar techniques for antomatic toll collection, though none is commercially available. Philips says that it knows of one US-based company which has plans to test a system this year. A small Norwegian firm is also developing one.

also developing one.
In the UK, researchers from New-castle University and Newcastle Polytechnic are working on a microwave communications system for vehicles. They see automatic tolls as its first practical application and they have just gone into partnership with Mar-coni Electronic Devices, a GEC sub-sidiary based in Swindon, to commercialise the system. Its first trial is likely to take place next year at the Tyne Tunnel, east of Newcastle.



E Identity plate on window

H Communication with

Phil Blythe of Newcastle University

says microwaves have several poten-tial advantages over the current gen-

eration of experimental car guidance systems such as the UK's Autoguide and West Germany's Pilot, which use

infra-red radiation to communicate

with vehicles.

The main advantage of microwave communications is that the signals are not affected by tha weather, whereas an infra-red receiver can be

thrown out by direct sunshine or by

fog or heavy rain. On the other hand, infra-red operates over a longer range

than microwave. The Newcastle sys-

tem has a maximum range of 10 metres, which means that a Mercedes-

speeding along at 150 mph on a Ger-

man antobahn might not be in range

The EC has just approved an Ecu

60m (£42m) research programme called Drives, which is intended to apply information technology to road

traffic. One of the purposes of Drives is to compare infra-red and micro-

wave systems and to develop stan-

dards for communications to and

from moving vehicles.

The idea is that early in the next

century it should be possible, with one smart card on the car window, to drive through any toll in Europe,

from the Tyne Tunnel to an auto-

strada in southern Italy, and to

receive guidance and traffic informa-tion from roadside beacons as you go.

for long enough to receive a clear

operational centre

F Computer

G Signal light

A Vehicle detection sensor

B Units for reading identity plates

C Video camera

Video recorder

Source: Philips

The Newcastle team has produced a smart card for the car window which, at about the size of a credit card, is smaller than the Premid plate. It contains a microprocessor as well as a memory chip.

This additional intelligence means that if a subscriber pays in advance for a certain number of passages, the card itself will deduct the appropriate fee whenever the car passes through

The Newcastle system could be used to transmit traffic information from roadside beacons

the toll. With Premid, a central com-puter has to process this information — and the Newcastle researchers believe that some drivers object to the idea of a computer keeping track of their movements.

The processing power and commu-nications speed of the Newcastle sys-tem mean that it could also be used to transmit route guidance and traffic information from roadside microwave beacons to moving vehicles. The receiver card on the window would then be connected to a microcomputer on the dashboard. A driver could, for example, key in his intended destination and directions for getting there would appear on a small display

A package that makes sense of statistics

CUTTING through a mountain of economic and financial statistics to spot undiscovered bargains is how investment analysts earn their daily bread. A software package launched this week could make their life a little easier. Industry Monitor, developed by WEFA (Wharton Economet-ric Forecasting Associates), attempts to rationalise information from diverse sources. It works hy taking the data and converting it to a standar dised format. The material is updated overnight and can be used for graphs, reports or

forecasting.
Information comes from the Information comes from the Confederation of British Industry survey of industrial trends, the Central Statistical Office and the FT Actuaries share indices. The three sources are based on different classification systems. Industry Monitor uses data that has been rearranged according to been rearranged according to sectors used for the share indices - making it most useful for the financial community.

The designers believe the package will allow analysts to spet sectors where shares are undervalued or overpriced. For example, the share performance of an industrial sector can be compared with output or orders figures.

With the stock market still nervous after last October's crash, fund managers and analysts are putting greater emphasis on the quality of research. WEFA believes analysis by sector forms en impor-tant part of that strategy. Bill Martin, chief UK econo-

mist at Phillips and Drew, the securities house, has been developing an economic model including industrial structure and flows between sectors. He says that, since the crash, ana-lysts have tried to focus more on economic fundamentals, but have found "an enormous gap between macro-economic analysis and what the sector

analysts say."
Industrial Monitor runs on a personal computer with tele-phone link and is supplied on disks. It uses analytical software developed by WEFA and costs £11,100 for the first year and £7,600 a year thereafter - considerably less than a human research analyst.

Ralph Atkins

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FT LAW REPORTS

No Panel injustice to Guinness

REGINA V PANEL ON TAKE-OVERS AND MERGERS, ex parte GUINNESS PLC Court of Appeal (Lord Donaldson, Master of the Rolls, Lord Justice Lloyd and Lord Justice Wcolf): July 28 1988

The Takeover Panel committed no injustice towards Guinness in refusing to post-pone a hearing as to whether its takeover of Distillers was effected by a concert party in breach of the City Code, in that Guinness had had evidence supporting a finding of concert party in its possession for nine months and had had ample time to formulate submissions, and there was no reason to think that a postponement would lead to disclosure of further or bet-

ter information. ter information.

THE Court of Appeal so held when dismissing an appeal by Guinness pic from the Divisional Court's decision (1988)2

FTLR 50 not to grant judicial review of the Take-over Panel's refusal to postpone a hearing arising out Guinness's take-over of Distillers Co nlc.

LORD DONALDSON said that in December 1985 Argyll announced an offer for the shares of Distillers. In January 1986 Guinness put forward a rival offer.

Rule 11(1) of the Take-over Panel Rules provided that where 15 per cent or more shares were purchased for cash, the offer should "except with the consent of the Panel be not less than the highest price paid by the offeror or any person acting in concert with it".

The Rules defined persons acting in con-

cert as persons who cooperated to obtain control of a company through the acquisition of its shares.

Guinness and those acting in concert with them at that time held marginally less than 15 per cent of the Distillers That meant that whereas the cash offer

was 630 pence per share, if the 15 percent limit was exceeded, Guinness would have to raise its offer to 731 per share, that being the highest price at which the Guinness concert party had acquired Distillers shares. Argyll was only offering 660 per On April 17 1986 Mercury Warburg, which owned 3 per cent of Distillers shares, decided to sell by cash settlement

thet day. A buyer was found in Pipatec AG, a Swiss company. The agreed price

was 705 pence per share.

When the deal came to the knowledge of Argyll's advisers they invited the Panel to investigate with a view to finding ont whether Pipatec was acting in concert with Guinness. The invitation to investi-gate was received by the Panel Executive on April 17 1986. The last day for either offer to be successful was April 18 1986. Stockbroker, Cazenove, said the order to have the shares had been received from buy the shares had been received from Banque Leu in Switzerland. Pipatec told the Executive that it had no connection with Guinness. That was confirmed in a letter dated April 17 from Guinness direc-

tor, Mr Olivier Roux, to the Panel.

The Panel concluded that on the available evidence it should take no action.

Guinness declared its offer unconditional on April 18.

On December 1 1986 inspectors were

appointed by the Secretary of State for Trade and Industry to investigate Guinness affairs.

In January 1987 Bank Len wrote to Guinness referring to agreements between Guinness and the bank's subsidiaries, whereby the subsidiaries had agreed to buy £50m of Guinness shares and had con-firmed the purchase of £75.6m Distillers shares, and Guinness had agreed to repurchase the shares within 60 days.

The letter stated that the documents setting up those arrangements were signed by Guinness directors, Mr Olivier Roux, and Mr Tom Ward. There followed a boardroom upheaval, as a result of which a new Guinness Chairman was appointed. Guinness accountants were given a copy

of a letter "the Pipatec letter" dated April 18 1986 purportedly signed by Pipatec and addressed to Mr Ward. The letter referred to Pipatec's having, on Mr Ward's instruc-tions, bought £75.6m Distillers shares, and Guinness's having undertaken to pay Pipatec an arrangement fee of £47,250 and to repurchase the shares within 60 days.

On May 11 1987 the Panel became a On May 11 1987 the Panel became a "designated authority" by the Financial Services (Disclosure of Information)(Designated Authorities No 2) Order 1987. The effect was that the Secretary of State was permitted, but not required, to disclose information to the Panel which he had acquired from his inspectors.

In June the Panel proposed to investi-gate the Pipatec purchase. If a hearing was needed, it would be held on September 2. In August the DTI passed the Pipatec letter to the Executive. On August 10 the Executive told the Guinness solicitors it had a copy of the letter. Guinness disputed its accuracy, and pressed that there should be no hearing. At a preliminary meeting on August 25 the Panel refused to vacate the September 2 hearing date.

On August 28 the Executive gave Guin-ness advisers the final version of its submissions for the September 2 hearing. It disclosed a letter from Allen & Overy, Bank Leu's solicitors, dated August 27

Bank Leu's solicitors, dated August 27
1987, protesting at the refusal to adjourn
the September 2 hearing.

They said that Bank Leu had decided to
confine itself to a short statement of facts
for the purpose of the hearing. They stated
that the Distillers shares were purchased
by Pipatec, and were subsequently
accepted to the Guinness offer for Guinness shares.

ness shares.
At the September 2 hearing the Panel held there had been a concert party opera-

Guinness obtained leave to apply for judicial review of the Panel decisions of August 25 and September 2 refusing postpone the hearing. The application was refused by the Divisional Court. Guinness now appealed.

The judicial review jurisdiction of the

The judicial review jurisdiction of the High Court was supervisory. It had a large discretionary content. It was not the court's practice to entertain an application for judicial review unless and until all avenues of appeal had been exhausted.

Essentially the August 25 application was for a long adjournment, is until after all proceedings, civil and criminal had been concluded, and the DII report had been nublished.

The September 2 application was essentially for a short adjournment to enable Guinness to respond to the Executive's final submissions.

In the circumstances of the present appeal it was appropriate to consider whether something had gone wrong of a nature and degree which required the intervention of the court, rather than to approach the matter on the basis of separate heads of Wednesbury unreasonableness and unfairness or breach of natural

justice. Mr Oliver for Guinness submitted that the Panel approached the matter as though it were an investigation taking place within the constraints of time imposed when a bid was current, whereas the bid had been concluded 15 months earlier.

It was not unreasonable for the Panel to regard the investigation as having some of the character of an investigation contemthe character of an investigation contemporaneous with the bid because, first, it was concerned with precisely the same issue as arose during the bid, and second, assuming there had been a concert party, the primary reason it was not dealt with during the currency of the bid was that Mr Roux for Guinness had falsely confirmed in the April 17 letter that Guinness had made no financial arrangements with Ploatec.

Pipatec.
On August 25, there were very powerful indications that Pipatec had been involved in a concert party operation. Unless the Panel were to embark on some further and different methods of investigation, there was no realistic basis for believing that an adjournment would provide it with other or better evidence.

By September 2 the Panel had the Allen & Overy letter containing the Bank Leu statemant. It amounted to a complete admission that the Pipatec purchase was indeed a concert party operation.

The September 2 application was based

on the late arrival of the Bank Leu statement and Guinness's need to include in frenetic activity if it were to prepare an adequate submission over the Bank holiday weakened.

day weekend.

Of actual injustice there was no trace.

The essential evidence supporting e finding of concert party along the lines set out in the Pipatec letter, which had been in m the Pipatec letter, which had been in Guinness's possession for nine months, and the corroborative evidence, spart from the Allen & Overy letter, had been in Guinness's possession for ample time to enabls it to formulate submissions, as indeed it had been continually urged to do.

While the Panel could never have been criticised if it had granted a short adjournment, it its decision not to do so was not wrong.

The appeal was dismissed.

Lord Justice LLoyd and Lord Justice

Woolf gave concurring judgments. For Guinness: David Oliver QC, Richard Teld QC and Patrick Elias (Herbert Smith

For the Panel: Roger Buckley QC and Paul Walker(Lovell White Durrant) Rachel Davies Barrister

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makes One big bang — and several whimpers

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And the same

Max Loppert sums up the second part of Bayreuth's Ring in the state of th

watching from a safe distance on their television screens. In the foreground a little girl and boy grope their way across the stage, torch in hand, while Alberich. a grey-flanneled worker once again, is a left-front-side spectator.

The third state that the share of the most stupendous kitsch awaits them; and that they should concentrate on the genuinely powerful passages leading up to it for these do exist, in some quantity — and not be driven (as no doubt many of the booera in the first-cycle andience were) by the inanity of the end into writing off the whole enterprise as impudent to the share of the share

Fatting Site to sn.

It is indeed a serious matter that fatigues when any producer, let alone one as skilled and tough-minded as: Kupfer, makes something so unutterably and brank ably ludicrous of the climax toward which the whole cycle toward which the whole cycle

tha enterprise economy shall be imposed upon the business.

Reports from the Cabinet Commit-

tee, which last week endorsed

changes to be introduced in a broad-

casting White Paper this autumn, sog-gest that the chief considerations are

union power, new employment oppor-tunities, the extension and exploita-tion of new technology, and — never

Most politicians could

hardly care less about

programmes. They are

any more dangerously influential

interested in 'broadcasting'.

to be underestimated — an underestimated — an underestimated

among politicians to ensure that uppity broadcasters do not become

than they are now believed to be.
Shamefully and depressingly, there are two words which are starkly

absent from that list: programmes and viewers. The trouble is, it seems,

that most politicians could hardly

care less about programmes. By and large, they are interested in "broad-casting." For an MP nowadays that

tends to mean all the dirty bits col-lected onto a videotape by some self-appointed keeper of the public

morals; or it means a carefully edited

selection of extracts from the week's current affairs programmes, arranged to prove that broadcasting

loyed by HHat Britain's enormously successful

by the first broadcasting system and inviting the new television freebooters with new technologies and new schedules to come in and challenge for the auditore ITV's existing public service system.

To that end, instead of retaining

reuth's new Ring is the this closing scene does not come upon the audience without warning: there are large hints, from the late-1980s industrial detritus piled up in Siegfried (Mime's forge is housed in a decayed sewer or oil pipe, and Fafner's lair seems to be a dump under a concrete motorway pillar) that the world is in a state of advanced disrepair. Likewise Gunther and Gutrune, he a risocialite in white cloche and feathers, are tokens of a Sick Society, and doom is nigh. But in the Götterdan finale the cataclysm that Wag-

It is a serious matter

when any producer makes something so ludicrous of the climax

ner left grandly ambiguous (in the text, not in the music) is here rigidly enclosed in a sin-gle piece of directorial didacti-cism, ill-conceived and even ill-er-executed; whereas earlier on, in spite of all the minor disjunctions of word and sense disjunctions of word and sense caused by the modernising of the myth, the audience is at least given leeway to respond to the music and the best of

What's wrong with the new Bayreuth *Ring* is summarised in most concentrated form in its end. Its concomitant techni-cal flaw — middling-to-poor design in the three long operas, relying on outlandish futurist contraptions or else a penitentially bare grey runway, with awkward creaks and hitches



The Bayreuth Ring - case for a re-think

the high-tech tricks (such as the laser-beam banks) meant to dazzle — lands more than one dazzle — lands more than one dramatic development in self-imposed difficulty.

No doubt the charge of lack of atmospheric variety, of differentiation between Ring locations, and of simple eye-appeal (not to mention charm, beauty, poetry, tenderness, or the myriad other qualities that the operas are also capable of

operas are also capable of imparting) will not be made by every Bayreuth audience-member equally. Yet the product of Knpfer's "political" vision, with its zealous introduction of characters where Wagner never wanted them, doing things he never imagined they would (such as the aged Wan-derer in Act 2 of Stegfried, shown laboriously controlling the arrival and departure of the Woodhird), is something already strangely old-fash-loned, dated, deja vu.

What's good about it is the direction of characters in scenes of intimate exchange,

and the original tonches imparted thereto. The first meeting of Siegmund and Sieglinde is most heautifully phased around the overwhelming desire for contact that ing desire for contact that instantly springs up between them. An arotic heightening, here and in Brünnhilde's awakening, is cogently justified, and if it leads the production into regularly repeated mannerisms – these Ring characters spend an amazing amount of time bling on a heard grey floor. lolling on a hard grey floor - it also enriches the dramatic.

There are moments of unexrhere are moments of unexpected, wholly convincing tenderness between Wotan and Fricka in Die Walküre and between Brünnhilde and Waltraute in Götterdämmerung; people often come close, touch, ambree Siestried in blue embrace. Siegfried in blue worker's overalls (Kupfer does not shirk his violence) and Mime in a dirty lab-coat enact a richly comical and percep-tively detailed pas de deux of hatred: the first act of Siegfried

is the high point of the Bay-reuth visit. It is odd, given Kunfer's formidable reputation for making dynamic dialectic out of opera, that it is the small things that seem valuable and memorable. Wagner's long spans and broad horizons have eluded him pretty largely. As they have Daniel Baren-

boim. He responds readily and with real fervour to the dra-matic incidents, and to the distinct character-types of musical material (at the start of Götterdämmerung Act 2, for instance, ha instils in the orchestra a charged awareness of its balefully clouded tex-tures and piercing disso-

Kupfer and Barenboim have made up their cast

from first-time Ring performers, and it tells

nances). Yet the ability to unfold long movements through tempo control and relationship waxes and wanes relationship waxes and wanes alarmingly — there was no explaining the hurtling-to-ward-home in the final pages of Siegiried, or the sheer slowness of so much of the Götterdämmerung Act 3. A Wagner production of this stamp needs a less erratic conductor more urpently than most. urgently than most.

urgently than most.

I mentioned the singers of the first two operas last Saturday. The great achievement of the second two — of the whole Ring — has been the partnership of Siegfried Jerusalem (Siegfried) and Graham Clark (a Mime in whom the worlds of Woody Allen and Monty Woody Allen and Monty Python collide) in Siegfried. The former, so touch-and-go a

few years ago, is a new Jerusa-lem indeed: ringing high notes (until the final, forgivable tiring), dramatic abandon, and a rare fullness and lustre of tone in phrase after phrase nor-mally fated to be mauled. His ability to phrase in long lines contrasts startlingly with most of his collaborators.

In Götterdämmerung the role is taken by Reiner Goldberg. With assertive confidence and rather a lot of metallic rasp; in a similar job-sharing arrangement John Tomlinson's Wotan is replaced by Franz Mazura's Wanderer, an honourable failure, cruelly strained, in the main, Kupfer and Barenboim have made up their cast from first-time Ring performers, and it tells. One can only assume that next year, or perhaps in the remaining 1988 cycles, the intervening experience will

have lent greater definition to Philip Kang's Hagen, For Deborah Polaski's Brün-nhilde the future, I fear, is not bright: she is obviously a serious singer and actress, and has robustly thrown herself into the production, but the insufficiency to the task of so illschooled a soprano voice, with so hit-and-miss a top register, is thrown into cruel relief by Waltraud Meier's eloquent Waltrante and Eva-Maria Bundschnh's voluptuons Gntrune, and in the closing raptures of both Siegfried and Götterdämmerung she all hut gave out. There are mediocre Rhinemaidens, Valkyries and Norns (Linda Finnie's Second a noble exception), and a fuzzy-voiced Erda from Anne

It is not thumbs down for the new Ring, But much hard re-thinking is needed.



The Harlem Dance Theatre in action

Harlem Dance Theatre

Into a London already bulging at the seams with appearances by the Kirov, Australian and Festival Ballets, comes a fourth visiting troope – Dance Theatre of Harlem, Always an ensemble with a fond public, the company opened its season last night; alas, it was a less than engrossing programme, elbeit the dancing served to alleviate something of the choreographic nullities in the

The opening Serenade, Balanchine's proving ground for his earliest students in the United States, is a masterwork which today has an especial relevance for the Harlem art-ists. In it they find those challenges about classic presence, about American academic dancing, which were part of its purpose half a century ago.

The present cast look at ease with it and with its manner, though I wish that the conduc-tor, Milton Rosenstock, had adopted more alert tempi. The score aounded sluggish, the dance'a momentum flagged; suddenly the piece had a sentimental and self-indulgent air far from that required by Bal-anchine. But there were grand moments when the women seemed to catch the choreogra-phy in their bodies with characteristic Harlem integrity, and the pulse of movement was full, irresistible.

I thought Lorraine Graves, with her majestic style, very fine: she can show us the choreography with a physical splendour that makes a simple step blaze with light.

About the two other works in the evening, I record that they had portentous programme notes, sonorous if slightly arcane titles, and miserable choreography. Foot-prints Dressed in Red) was set hy Garth Fagan to a minimalist score by John Adams that seemed maddened by its own repetitions. The cast, modishly outfitted in blue draperies -the men with one leg bare -behaved as if an aerobic lesson had developed ideas above its station, before finally indulg-ing in a few contorted classical

steps.

These activities had a somehow thunderous air, as if statements were being made. What they were I could not tell, but I fear they might have been cosmic about dance, life and art. What I saw was the merest attitudinising, allied to thin lit-tle sequences of movement, which the performers could not transcend

Phoenix Rising by Billy Wilson and Arthur Mitchell, which ended the evening, purported to be about greatness born from adversity. I must note that after the adversities of sitting through it, no signs, of greatness have been manifested to me. The piece boasts a score of percussive and unre-lenting brashness, projections of a naked body and it looks as if Le sacre du printemps were being staged as a cabaret number.

The men wear Phrygian caps and loincloths; the women are given all-over tights on which a thoughtful hand has drawn breasts and navel; a group of priestesses are en grande toi-lette with straw skirts. The dancers indulge in etbnic stampings that have a deeply spurious air, for all their tremendous energies, and after a time the curtain falls. Ringing cheers – but not from me.

Clement Crisp

TELEVISION

here seems to be a growing possibility that British television is heading for a historic, tragic, and unnecessary decline. The reasons are fairly simple the Government (or at least the Cabinet. well, Margaret Thatcher anyway) is determined that the enterprise segments shall be Market dogma hits the screen

is represented by the MPs being shown the tape.
Some of the ideas going into the White Paper could benefit viewers and might lead to wider programme choice. A fifth terrestrial channel, and in the 1990s a sixth, would probably be welcomed by many viewers, eventually. A single authority for the whole of commercial television — terrestrial, cable and satellite — is less searched than taking the state out of

restriat, came and satellite — is less sensible than taking the state out of television altogether and leaving control to the law of the land (a really sound-Thatcherite policy, you might think) but more sensible than the proliferation of quangos, and that body. well be the IBA The fundamental flaw, so far as viewers and programmes are con-cerned, is in the scheme which is apparently going into the White Paper providing for ITV licences to be auc-tioned to the highest bidders. Hostil-

ity to the present licence holders (Anglia, LWT, Yorkshire etc) springs from various sources. In a notorious phrase, the Prima Minister herself referred to the companies as "the last bastion of restrictive union practices." Many advertising agencies would like to be able to buy time in a more competitive market, and they com-plain that FTV is a cartel. Those hoping to run satellite systems tend to ing to run satelline systems tend to identify ITV as a cosy, and all too strongly enaconsed, duopoly, working in league with the mandarins of the RBC to preserve their hegemony. The possessors of these resentful voices, even if they do have their own

ares to grind, are the people who are now commanding most attention, and there is some truth in what they say. ITV companies have harboured a con-spiracy of restrictive practices; they have found it much too easy to keep on raising advertising rates; they have indulged in a mutual admiration partto prove that broadcasting is hid-cously biased against whichever party nership with the BBC.



David Thomas in a Man and Music production. Would there be room for such programmes in the new market?

But none of that alters the fact that the results of their work in programme terms and viewer satisfaction have been remarkable. Last week Rupert Murdoch, whose Sky TV plans to start beaming four satellite chan-nels into Britain early next year, attacked the BBC and ITV for being "deeply elitist." He claimed that dis-satisfaction with existing television had been demonstrated by the way sales of video recorders had swept through Britain, faster than anywhere else. "It was bred out of frustration at the sort of programmes they (the viewers) were being force fed by existing TV companies."

However, the evidence suggests that this is the reverse of the truth. In America (and Mr Murdoch is now an

American and spends much of his time there) it seems that when video recorders finally began to sell, they were indeed used to provide an alter-native to terrestrial television, notably in the form of rented movies. The British, on the other hand, have never taken to movie rentals in a big way: in 1985 fewer than 30 per cent of owners rented even one movie a week.

The British are a nation of timeshifters. On Tuesdays they watch EastEnders and tape Bless This House for viewing later. On Wednesdays they watch Wogan and record Coronation

Street, and so on. Whereas Americans are often fed-up with poor quality picand over-freq from terrestrial television, the British, according to this evidence, are not only happy with their existing terres-trial television, they are actually using their VCRs to get more of it. Opinion polls reinforce this view: asked about the existing television service, between 70 and 80 per cent of viewers express themselves "satis-fied" or "very satisfied" which scarcely suggests any passionate desire for change in the existing out-

That being so, and in view of the willingness expressed by the ITV companies to carry on with the peculiarly public service style of commercial television created in Britain the sensible course would surely be to allow present system to remain, while permitting the newcomers in satellite, or any other system, to compete for

the audience.

The point is that we are not going to have any trouble in finding provid-88 and Man And Music - once televi-

lusconi may resent the entrenched position of the ITV companies and would no doubt prefer them to be destroyed, allowing these new celes-tial media barons a much better run at the audience and, thereby, the advertisers. Nevertheless, the continuing presence of Granada and Thames and the rest will not deter these three from launching their new channels: the destruction of ITV is not a necessary pre-condition for the introduction of the new technology. Yet there is little doubt that the auctioning of ITV licences will lead to

the destruction of the present public service ethos in British commercial television, if not the actual destruction of ITV. Auctions will ensure that audience maximisation will be cru-cial, and protected enclaves of serious current affairs, high quality drama, and arts programmes will become a matter of history.

and most infuriating part of all this is that the move away: from the traditional ad mixture of public service content on ITV, and

Those hoping to run satellite systems tend to identify ITV as a cosy, and strongly ensconsed, duopoly

into a programme production system driven solely by market forces, is already occurring, even though the White Paper has not even been drafted yet, let alone become law. Determined to avoid extinction and to limit damage, the ITV companies are cutting back on high quality (expensive) programmes, moving rapidly to diversify their activities beyond broadcasting, and generally attempting to pre-empt the effects of the Government of the contraction of the contraction.

ernment's plans. Shareholders may benefit. Murdoch, Maxwell and Berlusconi will almost certainly gain, whatever hap-pens. The advertising agencies may be slightly happier. But considered in terms of viewers and programmes, the outlook is increasingly dim.

Christopher Dunkley

July 29-Aug 4

Sofia International Film Festival for children and young people

Follow the daily antics on the screen and in the bulletin of "Sophie" - caricaturist Nikolai Todorov's button-eyed, buck-toothed festival talisman - and that grin spreading across an impish face implied that all was well with the children's film today.

Listen, however, to Rolan Bykov, Chairman of the Soviet State Committee for the Chil-dren's Film, and the contrary message is loud and clear: "Due to a conspiracy of the tal-entless in the past, this is exactly where perestroika is

needed the most - in the chil-dren's film.

The First Sofia International Film Festival for Children and Young People accomplished the no mean feat of program-ming 161 representative films from 35 countries. It owed its initial success to two other related factors — at the same time, Bulgaria hosted the Fourth International Children's "Banner of Peace" Assembly, an event drawing 800 children from 120 countries, and a general assembly of the membership of the Inter-national Center of Films for Children and Youth (CIFEJ), based in Paris.

The sheer enormity of this trio of gatherings could be noted by the tight security whenever and wherever the lines of parallel activities

Twice, first at the mammoth Lyudmilla Shivkova Palace of Culture for a gala concert and then at the residence of Premier Todor Shivkov for a reception, some 5,000 guests roosted in one place to com-memorate the world as a global village. For the majority of the kids, at least, this provided a treat for a lifetime.

So far as the state of the art is concerned, however, today's children-and-vouth film appears to be in the doldrums. In the West, according to some popular-cultural researchers, children's television, even educational telavision, has brought with it the curse of what is generally termed a "disappearing childhood." In

the East, counters Rolan Bykov, what the Soviet Union badly need is the luxury of just such a curse: an All-Children Television Channel for the double-purpose of both education

and entertainment.
The weight of both arguments could be measured, to some extent, in a 300-page festival catalogue that offared enough factual information both to compare experiences and to spur argument during the daily press conferences.

Two premises, most partici-pants agreed, seemed particularly important before a discussion could begin at all: first, the children's film is a type rather than a genre (better, a type with all the usual genres), and second, the youth film necessarily includes themes obout young people as well as screenplays written specifically for

Indeed, the latter distinction was generously applied by the selection committee in admitting key entries from Hungary and the Soviet Union. Hungary, in particular, sent films previously awarded at major international festivals: Peter Gardos's Whooping Cough, about a Budapest family quarantined during the 1956 Hungarian Uprising, and Gyula Gazdag's An Hungarian Fairy Tale, a quaint updating of Vit-torio de Sica's Italian fable Miracle in Milan (1951).

Tha Soviet Union, too, didn't shirk, sending two critically recognised and bard-hitting perestroika films: Valeri Ogorodikov's The Burgiar, about Leningrad's current pop-andpunk scene, and Alexander Pankratov's Farewell, Street Urchins, on street violence and black marketeering in Moscow

By the same token, a Bulgarian "youth film" - viewed outside of the festival in the film market - could easily have been included in the official programme: Rangel Vul-chanov's Where Do We Go from Here?.

.. Ronald Holloway

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ARTS GUIDE

THEATRE

Too Clever by Half (Old Vic). A flazing Gogolian production by Rich-ard Jones of Ostrovsky's Diary of a Scoundrel in an old Rodney Ackland

and Jones of Ostrovsky's Diary of a Scoundrel in an old Rodney Ackland version, with remarkable Expressionist designs by Richard Hudson and a brilliant central performance by newconer Alex Jennings. Until August 13. (303 7616; credit card bookings 26; 1321).

Cymbeline, The Winter's Tale and The Tempest (Cotteslos), Peter Hall's National Theatre farewell productions return in the Cotteslos for July before opening at the Offvier Theatre in August, Michael Bryant's teschy Prospero, Geraldine James's adventurous images, Michael Bryant's teschy Prospero, Geraldine James's adventurous images, and Tony Haygarth's sweaty Caliban are the pick of some uneven performances. (238 2252; credit cards 379 444).

The Changeling (Lytichion). National Theatre director-designate Richards Ryre pisches in with an expit transposition of Middleton and Rowley to a Goynesque 15th century Spanish slave colony. Miranda Richardson and the black De Flores of George Hearris play second fiddle to William Dudley's designs, (232 2252; credit cards 379 444).

The Common Persuit (Phoenix). Second London chance for flawed Simon Gray consety about Cambridge gradustes in love and publishing. Take-over cast includes James Wilby and Patrick Barlow, (336 2264; credit cards 240 3661).

Resy Virtue (Garrick). Transfer of

9651). Easy Virtue (Garrick). Transfer of King's Head revival of early Noel

Coward, some period but lesser vin-tage than May Faver, but worth see-ing. (379 6107). South Pacific (Prince of Wales). Aver-age, traditional revival of the great Rodgers and Hammerstein musical. age, traditional revival of the great Rodgers and Hammerstein musical, with Gemma Craven failing to wash the buritonal Rufile Relecent out of her hair, (889 589). The Phanton of the Opera (Her Majes-ty's). Spectacular, enotionally nour-ishing new musical by Andrew Lloyd Webber. (889 2244; credit camb 379 5331 280 7300. Follies (Shafiesbury). Stumning revival, directed by Mike Ockrent, of Sondheim's 1971 musical in which poisoned marriages nearly undermine an old burlesque reunion in a doomed theatre. (379 5399). Hageood (Aldwych). New Tom Stoppard mixes espionage, romance and higher physics. Felicity Rendal is the eponymous intelligence agent, Rogar Rees and Nigal Hawthorne in elegant support. (838 6494; credit cards 379 6233).

Netherlands

Amsterdam, Stadeschouwburg. The English-Speaking Theatre of Amsterdam continues its 10th emriversary summer season with two productions. James Saunders' Next Time I'll Sing in You is centred around the Essex hermit Alexander James Mason (not Sun or Mon). Ages of God, by John Pielmaiar, directed by Bryce Pederson has its second tryout on Wed; first night Thur. (24 23 11).

New York Cais (Winter Garden), Still a self-out, Trevor Numr's production of T.S. Eliot's children's poetry set to music is visually starting and chorographically felms. (236 6352).

A Chorus Line (Shubert). The longustruming musical in the US has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as smallions rather than emotions. (236 620).

are used as multilons rather than emotions. (289 6200).

Les Misérables (Broadway). Led by Coim Wilkinson, repeating his West End role as Jean Valjean, the magnificant spectacle of Victor Hugo's majestic sweep of history and pathos brings in Broadway lessons in paganutry and drama. (236 6200).

Startight Express (Gerahwin). Those who saw the original at the Victoria in London will barely recognise its US incarnation: the skaters do not have in go round the whole theatre have in go round the whole theatre but do get good exercise on the spruced-up stage with new bridges

and American accounty in distract from the backneyed pop music ar and American scenery in distract from the hackneyed pop music and trumped-up, silly plot. (536 5510). Me and My Ghr (Marquis). Even if the plot turns on troule minicry of Pygmalion, this is no classic, with forgettable songs and dated leaden-ness in a stage full of characters. It has nevertheless proved to be a dura-ble Broadway hit. (347 0033). Washington

The Search for Signs of Intelligent Life in the Universe (Risenhower). Lify Tomlin repeats her award winning solo performance of the crazy people who inhabit her furny and strange imagination. One major segment explores the women's movemer over the past decade. Ends Ang 7. CSA 3579.

Over the past decade. Eachs Ang 7. (254 8579).
Les Misérables (Kennedy Center Opera House). The toming company of the international hit of last season beings to Washington the historical sweep of Victor Hugo, set to music suid an insistent contemporary heat. Ends Oct 15. (254 8770). Chicago

Pal Joey (Goodman). Set in Chicago in the 1940s, this Rodgers and Hart clastic, directed by Robert Palls, fol-lows in haunting melodies the eace-pades of a classic heel caught between the one who loves him and the rich lady he wants. Ends Aug 7. (443 3890).

Tokyo

Tokyo

Camet Messengar: Siegfried (Parthenon open air theatire, Tama).

Described as a "timetic theatrical
fantasy on the evolution of man and
his dream of liight," this production
by Japan's liveliest experimental
group, Yame no Yuminsha, returns
to Tukyo following performances at
the first New York Interactional Postival of the Aris. Based in part on Wagner's Ring cycle, the play features
three sisters called Val, Ky and Rie

— as well as Gailled. Tom Sawyer,
Nostradanus, a coelocanth and God.
A commentary in English, at the performances on Aug 1-3, is not likely

to make the plot any clearer! (496 to make the plot any casers; (ase 1951).
Takigi Noh (Hie Jinja). Japan's ancient and esoteric theatrical art form takes to the open air each summer, with special performances by torchlight in temple compounds that always attract large crowds. Two Noh plays and one cothic interiude (kyogen) form the programme for this performance at a popular shrine in Akasaka. Thursday Only, (434 0017).

this performace at a popular shrine in Akasaka. Thureday only. (434 0017). Yerma (Ginza Saison Theetre). Nuria Espert in Federico Garcia Lorca's poetic tragedy of a woman cursed by infertility. Victor Garcia's famous production, with its giant trampoline suggesting a womb, intade a huge impression more than a decade ago, but might now seem somewhat dated. However, Espert is undoubtedly one of the world's greatest actresses. (In Spanish). From Thur until August 11. (325 6355).

Kabuki (Kabuki-za). The kabuki theatre's greatest showman, Ichikawa Ennosuke, stars in a complete version of one of the most famous plays in the kabuki repertoise. Yoshitsune Sembonzakura (The Thousand Cherry Trees). The performance is in two perts, at Ham and 4jum, but the play is little more than a series of loosely linked episodes. Act VII features Ennosuke's portrayal of the fex, Tadanotu, with its magical quick changes, acrobatics, and a climactic flying exit. Ends July 27. (541 3131).

Opera-za no Kaijin, better known

exit. Ends July 27. (541 3131).

Opera-za no Kaijin, betitr known as The Phantom of the Opera (Nissel Theatre). Japan's leading musical company, Shiki, acquits itself well in what is a virtual carbon copy of the London original. The Japanese translation is often awkward, but Andrew Lloyd-Webber's gift for musical pastiche, Harold Prince's romantically evocative staging and Maria Bjornson's stumning sets and costumes make for an enjoyable evening. (568 3111).

(503 511).
Les Misérables (Imperial Theatre).
This stirring musical adaptation of victor Hugo's powel of the Paris barricades has returned to Tokyo for another four-mouth run. (201 7777).

FINANCIAL TIMES

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Wednesday August 3 1988

The Ecu steps forward

IT IS always refreshing when Mrs Thetcher'e Government does something poeitively Europeen. So yesterday's announcement that the Trea-sury intends to borrow on the international capital markets by issuing hills denominated in European Currency Unite

(Ecu) is welcome.

It is not, of course, the major step towards European monetary union that some would Nor is it a substitute for the full membership of the European Monetary System (EMS) which is required if Britain is to play its full part in the development of a single Community market. But the move will give credence to the Government's view that while others are dehating an immediate and impracticable leap to full monetary integretion, Britain is prepared to take pragmatic steps along the road

to closer co-operation.
From the perspective of Mr
Nigel Lawson, the Chancellor, the decision will also add substance to his claim that he has not given up on efforts to promote greater exchange rate stability through intervention in the markets. Borrowed Ecus will provide another weapon in the Bank of England's intervention armoury: one that, over time, will enhance its abil-ity to influence sterling's exchange rate not just against the dollar or D-Mark bnt against all European curren-cies.

Embryonic

The European-wide appeal of the move lies in the fact that by issuing Treasury hills in Ecus, the Government will give a significant boost to the private market in the embryonic European currency. This has developed rapidly over the past few years, but it has lacked a high-class, easily tradeable short-term instrument. The tax provisions and technicalities governing the Ecu bills already issued by the Italian authorities have eosured that their appeal is limited to the domes-

tic Italian market. When it starts its monthly anctions in the autumn, the Bank of England can thns expect to find eager customers both among the many central banks already holding Ecus in national financial institutions and private investors.

Chilling words from the UN

THE IRAQI regime atands not incurred more than mild doubly exposed by the latest developments at the United Nations. On the one hand its called in question by its sud-den discovery, at the precise moment when Iran had at last accepted Security Council Res-olution 598, that direct negotiations at foreign minister level

area of the conflict - UN investigators have, more explicitly than before confirmed the repeated utilisation" of chemical weapons by Iraqi forces, and have found that "such use has become quent": whereas Iraq'e counter accusations against Iran have not been substantiated. It is thus more than ever clear that Iraq, having first resorted to the use of chemical weapons, in flagrant violation of international law, to contain an Iranian offensive in 1984, has been emboldened to do so again and again, on an increasing scale; and that these weapons have played a significant if not deci-siva role in the recent Iraqi victories, helping to break Iranian morale and so to determine the outcome of the war.

Kurdistan

there is also evidence, not considered by the UN investiga-tors whose remit was confined to Iraqi acts against Iran and vice verea, that the Iraqi regime has used chemical regime has used chemical weepons on a large ecale against its own citizens in Kur-distan, causing considerable loss of civilian life.

ems so unmistakeably to be seems so unmistakeably to be that crime does pay. Iraq which in 1984 appeared to be fighting for its very survival is now emerging as the victor, on points if not by a knockout. It has achieved this remarkable turnaround in its fortunes at least in part by recourse to a type of weapon which is internationally outlawed, yet it has

ensure that London develops as the centre for Ecu trading is also likely to encourage other Community governments to follow its lead. It is hard, for exemple, to imagine the French government standing by while London grabs the bulk of husiness in Ecu government bills. Even the West German Bundesbank, which has so far refused to diversify its reserves, may eventually be persuaded that it should hold Ecus as well as dollars.

The Bank'e ready admission that one of the key aims is to

Co-operation

The attraction of promoting the unit as a etep towards eventual monetary union is that it will generate its own pressure in the financial markets for closer co-operation among governments. If the Ecn develops further as a credible and widely-used alternative store of value to national cur-rencies, then the markets themselves will eventually demand that it be given the same privileges afforded to those national currencies. That would represent the promotion of enhanced monetary co-operation from the hottom up rather than from the top down, a route that may prove more realistic than some of the more grandiose echemes now on

In addition, increased holdings of Ecus by central banks could eventually enhance the banks' ability to promote wider exchange rate stability against the dollar. Intervention in an active and liquid Ecu market would allow them to seek to influence the rates of all EMS currencies - and not just that of the D-Mark - against the

For the time being Britain can congratulate itself on being both a good European and on being relatively canny in stealing a march for London in the Ecu business. But Mrs Thatcher must not stop there. If pragmatism and realism have considerable attractions when contemplating full monetary union, the case for full British membership of the EMS is equally practical. A vibrant London market in Ecus as 1992 approaches will be no

rate stability that British

sincerity in seeking peace is are an indispensable precondi-tion for a ceasefire. On the other — and a source

of even greater concern to the world outside the immediate

As if that were not enough

These are very chilling con-clusions because their lesson tries are likely to be able to

verbal censure from the great powers or from the international community. In fact for most of the war's duration Iraq has enjoyed the support, moral and practical, explicit and tacit, of all the main powers. These have chosen to ignore not only Iraq's use of chemical weapons but also the fact that Iraq was the initiator both of the war as a whole and of the aspect which most directly affected the international community, namely the attacks on neutral shipping in the Gulf.

Original error

Just as it was difficult for the UN Security Council to repair its original error of failing immediately to condemn aggression and call for a withdrawal of the invading forces in 1980, so it is difficult for it now to repair its error of falling even to attempt any sanc-tions against Iraq for its use of chemical weapons. Iraq'a vic-tory cannot he taken away from it, any more than the dead Iranian soldiera and Kurdish civiliane can be brought back to life.

Yet somehow other potential users of chemical weapons have to be convinced that they cannot do so with impunity. A declaration that in future proven use of chemical weapproven use of chemical weap-ons will automatically trigger a general embargo on supplies of both arms and civilian chemi-cals to the offender might be helpful and would perhaps gain some credibility if the Security Council now puts more effective pressure on Iraq to accept a ceasefire and observe all the clauses of Reso-lution 598 than it did on Iran in lution 598 than it did on Iran in

the previous year.

There should also be greater efforts to speed up agreement in Geneva on banning the production and stockpiling of diction and stockplling or chemical weapons worldwide. Ironically the verification prob-lems which have made the US, in particular, reluctant to do this are much less acute for the kind of weapons that Iraq has used than for the more sophisticated ones which only Nato and Warsaw Pact coun-

Stretching

the Gatt to its limit

fter months of festering acri-mony over the tougher mony over the tougher stance on dumping adopted by the EC since last year, the issue looks set to come to a head. Last month, Japan, which has borne the brunt of the EC restrictions, announced it was beginning procedures that could lead to a formal complaint to the General Agreement on Tariffs and Trade (Gatt)

Tariffs and Trade (Gatt).

This move involves a proposal for bilateral talks in the Gatt as the first stage in a disputes procedure which will probably lead to the formation of an arbitration panel in the autumn. Senior Commission officials in Brussels say none of the measures used by the EC are inconsistent with the Gatt but critics warn that, at the very least, the community is stretch-ing existing rules.

In the process, continue the critics, precedents are being set that could have a bearing not only on EC trade policy in the run-up to the formation of the single market in 1992, but also on the broader Uruguay Round of multilateral trade negotiations which is now under way in Geneva.

Measures which have been taken by the EC Commission to tighten up its anti-dumping procedures include:

Pure economic theory suggests that the true losers in dumping cases are the companies which dump in the first place

 The imposition of duty on products assembled in Europe using compo-nents largely imported from Japan. Penalties against such "screwdriver" operations were imposed in April on electronic typewriters produced in Europe by Canon Bretagne, Kyushu Matsushita, Sharp and Silver Reed, as well as on electronic scales produced well as on electronic scales produced by TEC (UK). These are now the subject of Japanese protests to the Gatt.

The initiation of a dumping enquiry against Hyundai Merchant Marine of Korea — accused of predatory pricing in what is believed to be the first anti-dumping action against a company in the services sector.

A decision earlier last month to impose additional penalties on companies which, having been accused of nies which, having been accused of dumping, do not pass on the duties imposed to their end customers.

intrary to con EC anti-dumping actions under the new policy have not increased. As the chart shows, the number of investigations in progress fell steadily to 62 last year from 82 in 1984, but the number of cases in which provisional duties have been imposed rose to 13 in 1987 from 11 in 1984.

These have attracted attention. because they frequently involve large volumes of business. The latest EC action against Japanese photocopiers covered trade worth \$1bn (£588m), that against computer printers \$1.3bn. Moreover, they highlight ambiguities

in the Gatt code on dumping which, some argue, is ill-adapted to the rapid changes of present-day commerce.

The Gatt code allows anti-dumping duties to be imposed when a product is being sold at less than the comparable price in the exporting country or at less than the cost of production plus reasonable selling costs and profit. The importing country has to prove that the pricing of the product is causing or threatening to cause material injury to its own producers.

The code is open to interpretation, however, in its prescription of the material with can be used to prove methods which can be used to prove

methods which can be used to prove that dumping exists.

It also has little or nothing to say about three contemporary phenomena: the impact of volatile exchange rates on relative prices between one country and another; the short cycle of high-technology products which causes prices to fall rapidly as new, more sophisticated, goods start to come on to the market; and the rapid growth of investment flows which have made it easier for companies to avoid the risk of dumping charges by establishing assembly plants inside the markets with which they trade.

It is on this last point that the disagreement between Japan and the EC has been most bitter. The EC claims that its action against the "screwdriver" plants is simply designed to catch attempts by Japanese companies to circumvent dumping duties by importing components to Europe and then finishing the products.

Such action is confined to cases where a positive finding of dumping has already been reached for the finished product. Local assembly must

has already been reached for the fin-ished product. Local assembly must have started or increased since the duty was imposed, and more than 60 per cent of the parts must be imported from the offending country. The EC says it is allowed by the Gatt to take such action to prevent circumvention of anti-dumping actions, but Japan argues that the effect has been to impose dumping duties on components without any

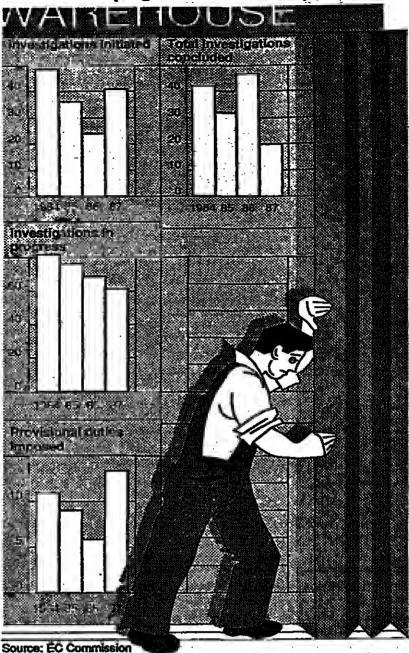
duties on components without any investigation as to whether or not they have been dumped. Moreover, the EC has now imposed.

a unilateral minimum 40 per cent requirement for non-Japanese con-tent. "We don't argue against regula-tions to prevent circumvention of anti-dumping procedures. We are arguing that this regulation went too far," says Mr Katsuo Seiki, Director of. the West Europe Trade Division of Japan's Ministry of International Trade and Industry (Miti). He adds that it is not unreasonable for Europe to insist that a local content of 10 to 15 per cent is too low, but he believes a 40 per cent requirement is too high. All this assumes, however, that dumping has taken place. EC officials are convinced that it has. "Anybody who says that Japanese companie have not been dumping in the EC is talking nonsense," says one senior official, pointing to the wide 86 per cent dumping margin found against Fujitsu's computer printers in May.

Others are not so sure. Dr Brian Hindley of the London School of Eco-

EC anti-dumping actions

Peter Montagnon and David Buchan examine the EC's dumping policy



nomics, an expert on dumping, says
"the way the EC calculates dumping
margins for Japanese producers can
produce results that, as an economist,

i would be very sceptical about."

The selling price of an individual product is not necessarily uniform, he believes, and situations can arise where the same product is aold abroad at prices that are both higher and lower than the domestic price. But, the EC refuses to average out these prices and counts any example. these prices, and counts any example of undercutting as incriminating evi-dence, thus tilting in favour of a positive finding of dumping.

Meanwhile, Miti insisted last week

that the EC had failed to come up . with conclusive evidence that imports of Japanese electronic typewriters and other products had damaged European manufacturers.

Japanese industry complains that in seeking to establish injury in the case of computer printers, the EC Commission was not comparing like with like. European companies produce printers for the upper end of the market, Japan for the lower end and comparing the two is "like comparing a Rolls-Royce with a Fiat Uno",

according to Japanese businessmen. EC Commission officials say they go to considerable lengths to ensure

that like is being compared with like in dumping inquiries, but there is clearly room for different interpreta-

tions which could argue for a closer look at the Gatt anti-dumping code in the course of the Uruguay Round. In any case, the EC has been caught in a different way by the code. It has no provision for exchange rate valuations which has made it hard for Europe to pursue cases against South Europe to pursue cases against South Korean manufacturers of video-cassette recorders and tapes, televisions, artificial fibres, chemicals and microwave ovens. Officials claim that the undervaluation of the Korean won, possibly by as much as 30 per cent, has made it hard to prove dumping. In the short run, however, the more

aggressive stance adopted by the EC on Japanese dumping has paid off in an unexpected way. Though officials have long countered that action, particularly against "screwdriver" plants, was likely to reduce investment flows from Japan to Europe, such spending has in fact increased markedly.

Last year, according to figures compiled by the Ministry of Finance in Tokyo, investment by Japanese companies in Europe jumped to \$6.78bm from \$8.47bm, an increase of nearly 90 per cent compared with 50 per cent for the rest of the world. At long last

too, European officials say, more of this investment is going into manu-facturing facilities instead of sales and distribution companies, and the financial sector. Luxembourg still attracts a lot of Impanese money — it was the second

Luxembourg still attracts a lot of Japanese money – it was the second largest recipient of investment flows in Europe last year with \$1.76bn – most of which is thought to have been used to capitalise Japanese banks in the Grand Duchy. Elsewhere, however, European officials who have long contended that the only real Japanese investors in European manufacanese investors in European naminac-turing, rather than assembly, were Sony with its television plants and Nissan with its British car plant in Washington, County Durham, say that other companies are now begin-ning to develop a genuine manufac-turing base in Europe.

For the international trading com-

For the international trading community, however, the question remains as to whether such gains were worth what some describe as the bully-boy tectics employed by the EC. Pure economic theory suggests that the true losers in dumping cases are companies which dump their products in the first place. They have to bear the losses of selling below cost while consumers gain in terms of lower prices. But supporters of anti-dumping actions claim this is a short-sighted argument.

sighted argument.
Unless dumping is stopped at an early stage, whole industries risk being priced out of their markets. The original dumper can carve out a monopoly and then raise prices, say those in favour of anti-dumping actions, so that consumers who gained initially end up bearing a

heavy price.
For the LSE's Dr Hindley this argument is implausible. He says there is little or no evidence that dumping has ever had this outcome, but EC officials counter that a number of Euro-pean producers of photocopiers like Agfa-Gevaert, Kalle and Gesteiner have been squeezed by cheap Japa-nese imports and now themselves import the product from Japan. Feelings are likely to run high on

this point for years to come, but meanwhile, trade experts say there are two practical words which flow from the EC's more aggressive policy.

The first is that a decision by Japanese companies to produce components within Europe may end up putting pressure on indigenous manufacturers. Mr Takeo Matsumura, a senior executive of Matsushita Electric Industrial which has carefully integrated its Enropean VCR operations with Grundig and Robert Bosch, says stricter dumping rules may have increased the investment flow but will not do much for European component makers. The proble may change from being a purely trade-related one, to one principally about investment.

Second, there is a growing fear that Europe's tougher stance may increase the pressure on Europe's trading part-ners to conclude voluntary export restraint arrangements in certain products, adding to the strain on the world trading system from such bilateral agreements. This would follow the pattern set by the US's controver-Japan which was struck after Washington threatened action under its unfair trade laws.

A concerted effort to revise the Gatt's anti-dumping code would reduce this risk if it resulted in new and fairer rules, but trade diplomats in Geneva say that such an outcome is unlikely as part of the Uruguay Round. The US, EC, Canada and Australia are the four trading powers which act against dunping most frequently. Two of them — the US and the EC — also happen to be leading players in the round itself.

PM in sex change row Given the historically uneasy

relationship between Downing Street and the FO, it is rare to find a King Charles Street spokesperson clarifying a state-ment made by Mrs Thatcher. But in Alice Springs yesterday, the Prime Minister seems to have got it wrong: and more importantly on a subject dear to the heart of many Britons. Appearing as a guest on Australia's School of the Air, Mrs Thatcher was asked if she had any pets. Yes, she said, there was one, a cat called Tabby. With a marked softening of the familiar Thatcher style, she explained how two-year-old Tabby had turned up at Che-quers as a stray but had been welcomed into the bosom of the family. Now, as a result of good feeding, she had a lovely coat, and was a nice, friendly animal, although somewhat reticent about peo-

The popular press, also feeling rather stray and unfed in terms of news, sniffed copy. Here, at last, was a worthy successor to Wilberforce, the successor to wilberforce, the famous mouser who served five Prime Ministers at Down-ing Street. Denis Thatcher, tackled later on the RAF VC-10 en route to Canherra, asserted

male.

Ever anxious to get its sexual facts right, the tabloids sought urgent clarification. It was provided with an-on-the-record statement by the Foreign Office man. Tabby was, in fact, female, although her name was not Tabby. She answered to the name of Kitty. Perhaps for someone somewhere on the Tory back benches the story will strike a vague chord.

Loss of Weights ■ Do not be surprised to see an outbreak of gymn shoes on corporate umbrella stands

Observer

around the Square Mile in the coming months. No, it won't be because chairmen have started jogging to lunch appointments. The explanation is a more sedentary, high tech form of exercise which is the City's latest import from the

It is being purveyed by the Health and Tennis Corporation of America, whose first fitness centre in the UK was opened yesterday at the Barbican by Princess Diana. For a mere £800 joining fee plus £30 per month the tired executive may mortify the flesh on a range of ingenious machines The centre explains for

example that modern weight lifting machines should have no weights. A visible stack of ironware might cause the chairman with a weak biceps to lose face before beefier sub-

American engineers have therefore developed hydraulic exercise machines whose "weight" can be adjusted with a discreet fingertip control by the victim himself. Nobody need know how much — or need know how much — or little — he is pushing. In the bar, though, the chastened executive may undo all the previous good by watching

After dinner Ray Morgan, who sold his media independent, RMP, to Saatchi & Saatchi this week for £2.4m-plus, is still rather

bemused by the changes that a dinner party chat brought

a Reuters Monitor Screen perched above the bottles.

three years ago. In 1985, he was media direc-tor of Benton and Bowles, the advertising agency, where he had worked happily for 28 years, buying advertising space on television and in the press. Then B and B was taken over by the US agency, D'Arcy McManus Masius. After a



"I don't like it - we're all being

period of uncertainty and frustration Morgan found himself round the dinner table at his Kensington home with his immediate deputies, Derrick Southon, Mike de Vere, and Christine Walker, where they decided to set up their own business. Three years ago this weel

the partners opened their doors
- with former B and B clients queuing up to give them mos than £20m billings.That has now grown to £70m

Reverse roles ■ One of the more bizarre

reversals of role in interna-tional diplomacy is on display in this week's UN talks on a Gulf ceasefire. In one corner is Iran's Foreign Minister Ali Akhar Velayati, striking out Akoar velayan, striking our for the moral high ground after a year of international oppro-brium over his country's refusal to accept Security remail to accept security
Council resolution 598.
In the other skulks Tariq
Aziz of Iraq, once applauded
for accepting a ceasefire in
principle, now in the doghouse
over Iraq's use of chemical

weapons and its stalling tac-The Iranians are handling their new-found place in the

sun with considerable panache. Velayati has turned against iraq the exact arguments used on him for the last 12 months, branding the regime uncivilised and accusing it of defying the international community. Velayati and Aziz, neverthe-

less, have a surprising amount in common: they are both highly intelligent (not to say devious), slightly out of character with their governments and great survivors. Aziz, the urbane, cigar-chomping diplo-mat, has long been one of the insiders close to President Saddam Hussein, and as first deputy prime minister is the most prominent Christian in a Sunni Moslem-dominated regime. Velayati is the only Western-educated figure in the

upper echelons of the Iranian Government, with a degree in medicine from Tehran University before qualifying in the US as a paediatrician. Elected to the Majlis (fran'e parliament) soon after the rev-olution, he became Foreign Minister in 1981 at the age of 36. His pragmatic policies of trying to build relations with tern countries have not always enjoyed favour within the regime, Today, however, Velayati is back in the saddle, and evidently enjoying every minute of it.

Rice move

Commercial Union, one of the biggest of the composite insurers, can hardly avoid the irony of its appointment of one of its sternest former critics, Peter Rice, as corporate finance and planning manager. Rice, an Ulster born actuary,

was London's most respected stockbroking insurance analyst until he left County NatWest WoodMac recently. It was there seven years ago that he began sounding the alarm about CU's ill-fated dash for growth in the US. His strongly disputed claim that its reserves were too scanty was vindicated when the company suffered

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David Marsh interviews the head of West Germany's counter-intelligence service

An open door If the begin were bond with \$1 - 100 and the bond and

gence services. Britain's Parliament has been debating a recent government white Paper that would shroud the the Br security service in even greater secrecy.
In the Federal Republic, as a reaction in the recent reputation of the Third Reich, and the intelligence services set up by the post-war state are discreet, but open to-100 t and scrutiny. In fact, they insist on it.

After a long career in the police force, anti-dum anti-terrorism and counter-espionage as shon work. Mr Boeden took over the Cologne agency in April last year. Set up in 1950, the BiV's name literally means "Office for the Protection of the Constitution".

The literal is a first task is to collect information on foreign spies and on left and right-wing in the sering of the stability of the country.

Apart from foreign spies and on left- and right-wing eign spies and right-wing to represent a threat to the country's to the stability of the country.

Apart from foreign spies the agency.

Apart from foreign spies, the agency has to keep tabs, at the latest count, on 62,000 members of extrems left-wing organisations, above all the German Communist Party, and 25,200 radical right-wingers grouned in page 17 the first of but right wingers grouped in neo-Nazi and interprets in other organisations. The figures are and design given annually in public reports, nearly the sp lan always accompanied by self-congratulawww.incap.daps. tory pronouncements from the Interior.

Appan.

Minister that democracy during the year in question "remained stable".

Mr Roden wards to be thought of

more as a kindly uncle rather than big about 2,300 people and comes under the jurisdiction of the interior Ministry, should have "a human face" indeed. and up ps his job is partly one of public relations. He needs to convince West. Germans mindful of the Nazis' misuse of power mindred of the Parts as he says, full of that the BIV is not, as he says, full of "shady characters in slouch hats and dark glasses who want to keep every-

is him carefully

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and help one under control". Against this unique German background, the BrV's work is becoming more challenging and complicated.

The profes East-West detente and the much greater purcell flow of East Europeans travelling to purcell West Germany increase the opportunities for East bloc spying. At the same

liberal constitutions that Germany has ever had from a situation where political forces — either from the right or the left — could try to abolish parliamentary democracy," he says.

The BfV is answerable to a Parliamentary Control Commission to check sensitive cases and operations. A special committee of the Bundestag has to approve intervention of mail and tele-

approve interception of mail and tele-phone tapping since this contravenes Article 10 of the Basic Law.

There are two other arms of the intelligence service. The foreign arm is the Bundesnachrichtendienst (BND) or Federal Intelligence Service, run by Mr Hans Georg Wieck, a high-powered dip-lomat. The Militaerischer Abschirm-dienst (MAD) or Military Intelligence Service is responsible for security within the armed forces. None of the

The BfV even puts out a brochure, carefully translated into English, on the basic tenets of its operations

three have police powers. BfV officials cannot arrest or interrogate suspects or search premises, but instead have to hand over these matters to the federal

police or public prosecutor.

The BfV even puts out a brochure, carefully translated into English, on the basic tienets of its operations. Under "intelligence methods", it informs read-ers that these include: "The infiltration or recruitment and handling of agents in extremist or terrorist organisations; the surveillance of suspects; secret photography; interception of post and telecommunications; other measures to conceal certain BfV operational activity by the use of non-attributable vehicle registration numbers or identity cards

with cover names."
It is hard to imagine MIS being so helpful, even if the Official Secrets Act was abolished.

Mr Boeden talks with almost exaggerated politeness about the people he is up against. Most espionage in West Germany is carried out by the East German Ministry for State Security. Not surpris-Towards time; perhaps over the longer term, the ingly, Mr Boeden has never met Mr



Erich Mielke, the legendary 80-year-old East German Minister for State Security, who has been East Berlin's chief

spymaster for more than 30 years. "I know him very well," saye Mr Boeden, "and I imagine he knows me too. This has always been my method, also as a police officer — to try to find out who my opponent is. This is necessary in order to understand and evaluate him better."

Perhaps as many as 3,000 eastern "agents" of various kinds may be operating on West German soil. This would range from professional spies to a much larger number of small-fry "collectors" of information. "Eastern services, in our experience, in times of detente have a special desire for information. They

a special desire for information. They want to know more, and they want to know it early," says Mr Boeden.

Additionally, opportunities for spying tend to increase at a time of political thaw. This year, about 160,000 Germannational emigres from the Soviet Union and eastern Europe are expected to settle in West Germany. Although the Bonn government welcomes the sharp increase in arrivals, the emigré stream

increase in arrivals, the emigre stream also provides a golden opportunity for the East bloc to bring in sples.

"We have a system, although it is not perfect, for registering when emigres have been approached and asked about procuring information," says Mr Boeden. "The numbers have been growing.

"We convert and do not want to say We cannot and do not want to say that each German-origin emigré is ans pect. The people who come to us are German by constitutional right. This gives us a special problem compared with other western counter-intelligence

Although he says that not too much meaning should be attached to the increase, 34 people were arrested in West Germany up to mid-July on suspi-cion of spying. This is the same number

March on suspicion of working for the KGB. Charges have yet to be preferred. The first court case comes up later this month. Several of the suspects are Soviet emigrés who had settled in the Rederal Republic.

Federal Republic.

The spate of arrests has helped underpin the BfV's claim that it has succeeded in making good damage done by the defection to East Germany in 1985 of one of its top spy-bunters, Mr Hans-Joachim Tiedge. Mr Tiedge fled after the BIV failed to help him sort out his drink and debt problems. Mr Boeden says he has introduced a system under which any employee in similar personal difficulties can come in and talk things over. He sees about three people a week on this basis. "It is inevitable that in an institution lika ours, employees can have problems," he says.

The KGB clamp-down in March came a week after the BfV was reminded of another constant preoccupation, with the arrest in Bonn of Ms Elke Falk, a 43-year-old secretary working for the Development Ministry. Ms Falk is alleged to have passed on information from her jobs in various government offices to a "romeo" East German agent with whom she fell in love. About a dozen "secretary affairs" have come to light in the past 10 years, confirming Mr Mielke's passion for setting loose his agents on single, middle-aged Bonn

Mr Boeden says these cases are "tragic". Ha uses the Falk affair to underline a security point. He says it confirms the need for a new vetting system introduced this summer which allows the intelligence services to investigate the personal friendships of gov-

"If it had been possible to investigate Fran Falk'a man-friend, we would have established that he had a false identity. as in the whole of last year. At the beginning of the affair, that
The most spectacular coup this year would have saved Frau Falk a lot of was the detention of seven men in pain - and the state a lot of damage.

The long-term unemployed

How business can tap the wasted potential

By Richard Jackman

who join the Community Pro-

gramme are two or three times

as likely to find regular work after the programme than similar people who did not join the programme. So the scheme has

long-run effects on employ-

ment. In addition, a huge

capacity to provide useful jobs has been developed in the "unemployment industry", and many social needs have been

served in that way. Old people have been helped, buildings refurbished and made secure,

and so on. As most of the 250,000 places in Community

Programme are dismantled over the next year, the gaps in services will become apparent, and a host of dedicated work-

ers for the unemployed will become dispersed. It is time to

act now to prevent this trag-

gramme does need redirecting. Up to now it has mainly served

It is absolutely

natural for an

employer to be

sceptical about

work for more

than two years

been out of

someone who has

the under 25s because the pay

was too low to attract adults.

The new scheme would have to

ensure that any individual could receive a significant mar-gin above benefits. But every-

one should be paid the hourly rate for the job, with hours adjusted to provide the required total income.

Second, the Compact. Above all we want to get the unem-ployed into real jobs. Thus we

must persuade private busi-ness to recognise the genuine

competences of the long-term

unemployed. It is absolutely

natural for an employer to be

sceptical about someone who

has been been out of work for

more than two years: there is a

risk in hiring such a person and in any case some element

of training is probably needed. So employers will need some financial inducement.

But the Community Pro-

HE greatest social evil of our time is long-term unemployment. Yet it could be cured at little or no cost to the government.

For long-term unemploymant is itself immensely costly. When a person has been unemployed for more than two years the chance that he will leave unemployment in the per cent. So, if nothing is done, he is likely to remain unemployed for another two and a half years. During that period he will collect something like £9,000 in benefits. Ha will also pay no direct taxes. So the gain to the Exchequer

if he were re-employed not rather than running his natural course of unemployment is some £17,000. It follows that the government should be willing to pay generously in order to get him re-employed. It would be an excellent investment from the government's point of view, from the tax payer's point of view and from the point of view of the unemployed person himself.

Of course, not every such investment would succeed soma of those who become reemployed may become unem-ployed again quite quickly. But there is good evidence that the net cost to the taxpayer is quite small if a government seeks to abolish long-term nnemployment. Sweden has virtually no one who has been unemployed for more than two years. It spends 2 per cent of its national income on employ-ment and training measures for the unemployed, compared with % per cent in Britain. But, when you add in benefit payments, the Swedes spend less than the British.

They have eliminated very long-term unemployment by offering a job guarantee to everyone who has been out of work for over a year. Given the British level of unemployment we should start with the 725,000 people who have been unemployed for more than two years. How could such a guarantee be delivered? First, we should stop dismantling the Community Programme, and second, we should introduce a new Compact with private

The evidence is that people

The time has come for a Compact whereby employers undertake to employ certain numbers of long-term unemployed people in return for a suitable financial package. This would be the counterpart of the compacts already being made in respect of young peo-ple. But it recognises that, though youth unemployment is easing rapidly as the number of young people falls, long-term unemployment is stubbornly resistant and cannot be cured without a new willingness of employers to look at such peo-

An overall programme of some 250,000 places would be oeeded at a gross cost of say £1 bn. Unfortunately this counts as the public expenditure of the Department of Employment, But only the nar-rowest kind of book-keeping would fail to set against it the likely savings in benefit expen-diture by the DHSS – which could be of almost equal mag-nitude, nuce the effects of the

what possible objections are there to the idea? It is always quite proper to ask, "Will the scheme not be inflationary?"

The answer is No. For a pool of long-term unemployed does nothing to restrain inflation. This is found repeatedly in econometric wage equations, and commonsense suggests that people wbo are so unlikely to find work can be doing little to alleviate the inflatinnary build up of job vacancies. Thus reducing long-term unemployment does not tighten the labour market or lead to any danger of overbeating.

Indeed, quite the contrary, it will be difficult to ensure continued high growth witbout inflation unless we can secure a growth in the effective supply of labour.

The population of working age, which grew quite rapidly until last year, will now be growing less fast. We desperately need to find new supplies of workers, whose additional ontput will generate the wealth on which our future as consumers depends. A key source of additional labour is the untapped and wasted potential of the long-term unemployed.

The puthor is Reader in Economics at the London School of Economics and Political Science

LETTERS

Residence rules

From the Chairman, Inland inter alia, world income.

Sir, in his comments (July tative document are quite dif-29) on the consultative docu-ment about possible changes to the present residence rules and UK resident on his or her UK the present residence rules and the scope of UK taxation for individuals, Richard Waters makes a surprising compari-

> Ha suggests that the proposal to determine the UK tax liability of certain residents on a percentage of world-wide income and gains would introduce into our tax law "a variant of the unitary tax system used by some US states to tax

> foreign corporations".
>
> That is not correct. As Mr Waters recognises, ministers have consistently opposed the unitary method of taxation: this is a means of determining the liability on income arising in a particular country by ref-

Uncertainty diminished From Mr D.S. Tulion.
Sir, "Uncertainties of tax avoidance" (July 25) is an

excellent and cool summary. The law on the subject is indeed far from resolved; a fact foreshadowed by Lord Scarman's indication, in Furniss v Dawson, that that case was but income on a unitary basis. The particular approach to which Mr Waters refers is simply one the beginning of a long series to define acceptable and non-acceptable tax avoidance. possible way of progressively bringing within UK tax the One can only hope that he was wrong, and that we have not far to travel. At the same oversess income of certain resi-

dents according to the period of their residence in this countime we must hope that the Eventually, they would become liable on their world-wide income and gains like any nendulum will not swing back as far as Lord Templeman clearly hoped. His interventions in a series of tax-avoid-ance cases have marked the other long-term resident, and would be charged on a similar basis. They would not be charged by reference to some unitary type formula.

A.M.W. Battisbill, high tida of Inland Revenue dominance of judicial thinking. That tide has ebbed, but it is unlikely that the tax bar is "cavorting" as Justinian, your legal correspondent, seems to Inland Revenue. The Board Room, think. In particular, Justinian

overlooks the fact that the executive (Inland Revenue) always has the initiative where there is uncertainty as to the law. If the law is not explicit, it has the power to try to make the taxpayer prove the negative: that he does not come within the law. The taxpayer has to spend his or her own money to prove the point; the civil servant is spending some-

proof to shift back to the Inland Revenue. Lord Templeman must be right to assume that the line cannot be drawn on the narrow majority in Craven v White. But at least advice and actions taken now will not be related to one particular set of circumstances in the future in order to show that everything was "pre-ordained". D.S. Tallon,

one else's. That is why it is necessary for the burden of

thought by some to be in the short term interest of the European primary producers, but we believe it is a bad example by Europe to the world - and it is certainly not in the interests of European aluminium

1 Serjeant's Inn. EC4

consumers. Ian D. Livingstone, Dubai Aluminium, for progress in this respect.

The present situation may be PO Box 3627 Dubai United Arab Emirates

EC imposes a selective tariff

Sir Kenneth Gooding's otherwise excellent article (July 29) makes a statement about "...the growing need for imports of primary aluminium, which come from low cost areas such as Venezuela, Can-ada, Bahrain and Dubai". I think you will find, in fact, that imports of primary aluminium into Europe from Bah-

rain and Dubai are needigible. .. This is principally because of tha 6 per cent tariff imposed by the European Community (EC) on imports of primary aluminium from certain countries (including the Gulf States) but not from others. The EC is the only major economic system in the world which imposes a diseriminatory duty on primary

Dumping is a real danger From Mr J.R. Wilson, Mr Ian MacArthur and Mr J.P. Harri

Sir, The views on dumping expressed by Jan Trimmer of Phillips (July 25) give an incomplete picture of what dumping really is and how industry can attack it.

It is true that dumping is constituted by exporting goods below the price at which the exporter sells on his home narket. However, in order to take remedial action, there has to be material injury (or immi-

nent threat of it) to the industry in the importing country. While it may appear obvious that the price of the imported product must be causing damage to the industry in question. this can be very difficult to prove. It is less of a problem in few large companies involved in the manufacture of fairly standard, easily definable products, and where, therefore, damage to one or more companies would be clearly visible.

In the case of textiles and clothing, where there are thousands of companies of varying size, producing wide ranges of products (many of which will be short-lived because of particular fashions or styles) it is almost impossible to prove damage. It may even be impossible to gather sufficient evidence of the domestic price of the goods in question, because often they will not be sold, domestically in the country of

This difficulty is compounded by currency exchange rates, particularly with the state trading countries. That is

tion with our friends in Bah-rain, is actively working in Brussels and elsewhere to have the duty removed or reduced. We hope that the recently conchided agreement for co-opera-tion between the Gulf Co-oper-ation Council (GCC) and the EC may provide a framework

This company, in coopera-

why we have advocated that, under the current round of GATT multilateral trade negotiations, the present anti-dump-ing code should be amended in two ways.

First, there should be a shift in the burden of proof so that the importing country would only have to show a prima face case of dumping, which the exporting country would then have to rebut. Once a prima facie case had been established, a provisional duty would be applied.
Second, HM Customs and

Excise should be empowered to alert interested parties to the arrival of suspect goods. Indus-tries could indicate to their customa anthorities what prices would be suspect. This system would have the added advantage of helping to identify "secondary dumping" the manufacture of products using dumped components— which is not presently dealt with. We strongly believe it

The creation of the single European market will make all industries more vulnerable to such practices as dumping. It is imperative that EC negotiators at the GATT Round seize the nettle, and strive for the effective reform of the antidumping code.

British Clothing Industry Asso-

lan MacArthur, British Textile Confederation, J.P. Harrison. Knitting Industries Federation British Apparel Centre, 7 Swallow Place,

THE FT MAY BE A SHADE PINKER TODAY

While we wouldn't deliberately want to embarrass the Financial Times, a recent advertisement by Pearson, their owners, deserves a little more than "no comment."

There the sales margin is less than 2 to 1 in favour of the FT. And falling.

In the past year, Journal/Europe circulation has grown 12%, whilst the FT's

	CIRCULATION SALES RATIO**
	WSJ:FT
Europe (Ex. UK)	1:18
UK	1:18
US	100:1
Asia	11:1
Worldwide	7:1

Sources: * Jan-Jun 88 vs Jul-Dec 87 ABC Latest available data at time of going to press

We were surprised by the claim that it "outsells The Wall Street Journal by 8 to 1 in Europe."

We've checked, and even if you include its "home territory" - the UK, we couldn't calculate a margin close to that.

Which makes it even more surprising because one doesn't expect such arithmetical inaccuracy from a business paper.

Of course, as the national business publication of the UK, it's hardly surprising the FT outsells The Journal/ Europe there. Just as in the US, sales of The Journal vastly exceed those of the FT

For a more revealing profile of European penetration, simply subtract the UK and look directly at the Continent.

Frankfurt edition sales have declined.*

Having set the record straight we would like to emphasize, however, that we are not out to compete on numbers.

Our interests lie mainly in quality rather than quantity.

We aim to provide the highest quality business paper for the highest quality

Our subscriber studies show how we are succeeding. Our average subscriber's household income is \$229,000 per annum. 71% are top management. Need we go on?

(The FT has no comparable figures for its own buyers.)

Thanks to our rapid acceptance in Europe, one could say we're pretty much in the pink ourselves.

FINANCIAL TIMES

Wednesday August 3 1988



S.African exports rise sharply

A GROUP of six countries, headed by Japan, have sharply increased their annual imports from South Africa in recent years, undermining the impact of economic sanctions imposed

In all, the six countries – Japan, Taiwan, West Germany, Italy, Spain and Turkey – last year imported \$1.76bn more South African goods than their average South African imports during the 1983-85 period.

Britain's trade with Sonth
Africa has fallen in recent
years, due principally to the
transfer of the bulk of the dia-

Switzerland. The figures are contained in a confidential interim report on the impact of South African sanctions, commissioned by the Commonwealth Foreign Ministers Committee at its

N HIS novel Children of

Anatoly Rybakov paints a pic-ture of a bobemian, work-ing-class district of central

Moscow during the Stalin era. He describes the struggles of a group of young people

a group of young people against a pitiless political system, driven by s venerated and endlessly suspicious despot.

Today, the Arbat is a chic area of galleries and flats for the "in" crowd, and it has new children. One of them is Me

children. One of them is Mr

Vladimir Alexeyevich Sorokin.

He was born in 1955, a year before Nikite Khruschev

denounced Stalin in a closed session of the Communist

trained as a mathematician. but was drawn towards the

arts, working for a year or two

with a touring puppet theatre before taking up sculpture and

speoding eight years carving

monuments to commemorate the "Great Patriotic War"

But, in his early thirties, he

Mr Mikhail Gorbachev, impa-

This new child of the Arbat

floats on e sea which, if not as

dangerous as that of his fic-

tional forefathers, is still

and . . . create the conditions

tions of the population in co-operatives."

co-operative movement.

Draft legislation which would have imposed punitive

taxes on co-ops (op to 90 per

aod others. Explicitly and

cent) has been suspended after wrote objections from economists At

Mr Gorbachev rarely loses

rough, puzzling and uncharted.

omy, was exhorting people to are now over leave the state sector and set the nationwide

Mr Mikhail Gorbachev, impa-tient to free up a clogged econ-first half year alone and there

up on their own in co-opera-tives. So on October 1 last year, Vladimir Alexeyevich waces: there are many. He can

He is, in effect, an entrepreneur.

It should in theory be plain who try something new, he has a deep fear that the official line might change. He thinks Mr

sailing. A state law on co-oper-dorbachev is wonderful "with-atives came into force in July, out him there would be no co-

designed, the preamble says, to operative movement: all hopes "reveal the immense potential for improvement in this counfor the co-operative system try are connected with him"-

for involving extensive sections of the population in co-

mr Gorbachev rarely loses an opportunity to laud them: much of his speech to the central committee plenum last Friday was devoted to the importance of leasing land, buildings and equipment to the fledgling co-operative movement.

The first leavislation which increases in production or

WORLD WEATHER

against the Nazis.

wanted more.

His pareots were doctors: he

Party central committee.

the Arbat, published in the Soviet Union a year ago,

mond trade from London to

inaugural meeting in Lusaka in February. The committee, meeting this time in Toronto, was set up by Commonwealth heads of gov-ernment at last year's meeting in Vancouver to provide guidance and impetus in furthering Commonwealth objectives on South Africa. It comprises the foreign ministers of Australia, Cenada, Guyana, India, Nigeria, Tanzania, Zambia and

Zimbabwe. Britain — which opposed the wider, tighter and more intensified application of sanctions in Vancouver — is According to the report, Japan's imports from South Africa were last year np by \$748m or 44 per cent from their 1983-85 average. Imports by Taiwan and West Germany increased by about \$300m from 1983-85 levels, while Italy,

being told to enrich the econ-

According to the Moscow

omy by enriching themselves.

city Soviet, 300 co-operatives in

the capital last year turned out

goods and services worth R12.8m (\$20.27m). By the first six mooths of this year, the number of co-ops had grown to

are now over 40,000 co-ops in

get willing workers, but often their work is not very good.

Worse, he cannot get people to

manage: nobody has been trained to do that.

but co-ops do not always enjoy

Socialist Industry, Ms Tatyana Subbetina, a Moscow econo-

increase in production or improved quality of produc-tioo"-should be opposed, she

At the core of her criticism

is the fact that co-ops are enti-

And, like all Soviet citizens

Taking the rocky capitalist road

Gorbachev: "without him there would be no co-operative movement...co-ops don't always enjoy a good press"

John Lloyd meets the enterprising founder of a Moscow co-op

Spain and Turkey registered increases of \$100-\$200m.

The rate of growth has been fastest in Taiwan and Turkey,

fastest in Taiwan and Turkey, where South African imports during the period have increased by 145 per cent and 132 per cent respectively.

The report also shows that countries which have introduced major sanctions against Pretoria reduced their South African imports by \$1.2bn between 1985 and 1987, equivalent to about 7 per cent of Sooth Africa's total 1985 exports.

exports.

By far the largest reduction was made by the US, which has cut South African imports, by \$860m over this period. Other major reductions were made by Denmark, where imports have fallen from \$154m in 1985 to zero, France, Canada

This means exploitation, in Ms

Subbotina's view. She argued,

echoing Lenin, that "the objec-tive interests of these two

groups were antagonistic-the

smaller the salary of the con-

tract employers, the greater the profits of the co-operative

which are distributed excln-

sively among the co-operative

Apart from political opposi-tion from people like Ms Sub-botina, the co-operatives face

subtler forms of resistance

from Soviet society. Many peo-

ple disapprove savagely of

what they see as the co-ops' get-rich-quick tactics.

The objection is often to practices taken for granted in

the West, such as putting a

higher price on scarce goods. This is hardly unknown in the black market: but to have it

practised openly, with official approval, cuts against a popu-

Yet Mr Sorokin will carry on. He says he is driven by a desire to promote "peace through commerce."

"Where there is trade there cannot be war," he asserts, launching into a treatise on

that subject.

He has 15 members in his co-op; they hire between 15 and

18 more contract workers. Most of them work at home, sewing to patterns he provides. All, contracted and co-op members, earn according to the quality of country.

It makes a profit. He has

A separate inter-ministerial report on South Africa's rela-tionship with the international financial system confirms that long-term credits to South Africa have virtually ceased but that short-term trade cred its are increasing. The princi-pal sources of these credits are said to be Britain and West

Based on the reports' find-ings, the committee is expected to discuss the adoption of fresh measures to increase pressure on all countries to reduce trade links with South Africa and to

These are likely to include recommendations that tighter restrictions be imposed on the purchase of non-essential South African goods, such as coal, steel, base metals and arrightent mediates.

need more capital and it is

He wants to expand: not nec-essarily to make more clothes,

but to become a supplier of ser-

vices to the foreign business community. He plans to open a Japanese restaurant with a

Japanese friend who can cook and he wants to provide enter-

tainment, sports facilities and recreation for businessmen in

people want. I need informa-tion: we are willing to do any-

I asked him if he thought he and his fellow co-operators were taking the capitalist

He paused, searched for words, looked embarrassed and said he was, Finally, he said: "I don't believe the two social systems are so far apart any longer: I believe they will more

and more come together, and

this will benefit world peace."

For him, socialism is a guar

antee of state protection: yet he recognises it saps incentives and, as he put it, "it may destroy the process of natural selection."

He was a hard man to assess

Charming, handsome and self-assured, his language is

tremendously idealistic -but at

the same time he wants to

break into that most lucrative

Judged by conventional

Western criteria, he was plan-ning to spread himself thin, with little knowledge. Yet most enterprises here have more than one function; heavy engi-

neering plants make consumer

goods for local production, build and maintain flats for

their workers, and are encour-

aged to do so.

And if he has little busi-

ness-as distinct from adminis-

trative experience, other

would-be entrepreneurs are in the same boat. He is on the executive of the Moscow co-op-

They have problems, to be sure: he says only about 15 per

cent of them make a profit. But Mr Vladimir Alexeyevich Soro-kin, post-Stalinist child of the

Arbat, is marching with his fel-

"We are ignorant of what

hard to come by.

Gatt report shows world merchandise trade up by 5% in 1987

By William Dullforce In Geneva

WORLD merchandise trade grew by 5 per cent in volume in 1987, well above the rate of expansion of the two preceding years, and will grow by a further 5 per cent this year, the secretarist of the General Agreement on Tariffs and Trade (Gatt) said yesterday in the annual years. its annual report.

The trade-depressing conse-

quences of the large changes in currency rates and the fall in energy prices experienced between 1985 and 1987 have started to give way to tradestimulating effects. Gatt's economists suggest in a generally upbeat analysis of the curvature of the curvant of the curvature of rent strength of world trade.

In value, international trade in goods climbed by 16.5 per cent to \$2,475bn in 1987 with West Germany outpacing the US as the largest exporter for the second year renering the second year running. Growth was particularly strong in the second half. Last year developing countries increased their share of

world merchandise exports for the first time in seven years. Their combined trade balance shifted from a small deficit to a

small surplus.

Gatt officials single out three favourable factors affecting

• The relative stability of the main currency rates since December.

 Indications that the US and Japan are beginning to correct their trade imbalances. These signs are reinforced by figures showing the strength of Japanese domestic demand and

Japanese domestic demand and a revival in personal savings in the US, Gatt says.

Continuing, if modest progress in dealing with Third World debt, Gatt notes the undertaking on African debt by the seven big economic progress at the Toronto summit. powers at the Toronto summit, Brazil's recent agreement with its creditors and the banks' additions to their loss reserves These positive developments are tempered by uncertainty about when the debt problem

and the current account imbal-ances of the US, Japan and West Germany will be resolved. Other negative influresurgence in inflation and trade protectionist pressures. Gatt also injects a warning

note about recent improvements in agricultural prices which its says in no way reduce the urgent need to reform farm policies. Details, Page 4

Bundesbank raises repo rate Continued from Page 1

erators' association, which plans to hold a conference soon, perhaps this week or cent in 1988. The OECD has recently fore-The OECO has recently fore-cast a slowdown in growth to 1.75 per cent in 1989. Mr Bange-mann's claim that the argu-ments of the "economic pessi-mists" have been undermined seems to have been directed as much to next year's forecasts as to this year's The Covernas to this year's. The Government has not yet made an offi-cial forecast for 1989.

The increase of nearly 2 per The increase of nearly 2 per cent in the seasonally adjusted industrial production figure for June is welcome ammunition for the Government. It confirms that strong growth in the first three months of the year has continued into the second. The repo rate, which has become a carefully-watched indicator of the Bundesbank's intentions, has now moved up.

However, German daily money-market rates are now at almost 5 per cent. Combined with the dollar's continuing strength, that suggests further increases may come.

Most German economists expect domestic interest rates to rise further.

Mr Ernst Moritz Lipp, chief economist of Dresdner Bank, said: "If US rates go up further, the Bundesbank will either have to accept a further depreciation of the D-Mark or stabilise the exchange rate by letting interest rates rise further."

German exporters have regularly complained about the strength of the D-Mark, which they say has bitten into their

they say has bitten into their business.

THE LEX COLUMN

Coming to terms with the Ecu

The nine out of ten Britons who think the Ecu is a game, a who think the Ecn is a game, a computer or a chema award will be nonplused by the Bank of England's decision to issue Ecu treasury bills. To the cognoscenti, though, it must appear a master stroke. By acting rather than merely talking about progress toward a European monetary union, the Government has answered its European critics without con-European critics without con-ceding any ground on mone-

ceing any ground on mone-tary supremacy.

As far as the ever-nascent
Ecu market goes, the Bank's
announcement is an unex-pected gift. While the issue of a
hand new instrument worth
up to Ecu 2bn will in itself
deepen the short term market,
its real significance market. its real significance is as a pump-primer. Once the UK Government has endorsed the Ecu and proved its worth, the chances are that others will follow. There is every reason to expect the issues to succeed, given the likely demand from central banks as well as the general run of international investors; the only surprise is that no one has thought of issuing them before Moreover, the creation of a lively trea-sury bill market should also help the Ecu bond market, which has suffered not just from suspicion but from a scarcity of swap opportunities, which the bills will help allevi-

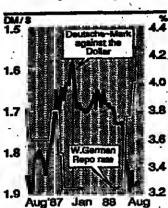
By getting in first, the Government has brought off a small coup for London as a financial centre. Because the bills will be sold through the existing treasury bill mecha-nism, players in the domestic market will be encouraged to become Ecu experts, suggesting their rise np the league tables at the expense of the French and the Belgians. Even from the more workaday point of debt management the move makes sense, as it broadens the Government's borrowing options, and should mean an interest saving of more than a percentage point over the retir-ing dollar FRN.

Currencies

As if UK interest rate policy were not tricky enough already, the slide in the D-mark shows every sign of continuing: still weak against the dollar yesterday, despite the rise in the German repo rate, and bumping along at an all-time low against the Yen. It is natural enough that the dollar should steal the limelight

at present. The market has per-suaded itself into optimism about the US trade deficit, and the continued strength of the domestic economy – appar-ently confirmed by yesterday's leading indicators – suggests that the Fed's policy of tighten-ing will continue. But after all, the Bundesbank has been tightening too; and dollar tightening too; and dollar strength does not explain the D-mark's performance against

But though the weakness looks slightly illogical, the



ounce need not be immediate. indeed, the longer the dollar's strength persists, the more nervous the market may get about the outlook for German inflation. As for sterling, Dm3.20 is for the moment looking more like a floor than a colling like a floor than a ceiling. Logic might suggest that the UK authorities should now pay more attention to sterling's trade-weighted level, but much depends on the balance of argument about tracking the EMS. All this serves to keep the market in the dark; but according to the official view, that is presumably where it

Touche Remnant

Investment trusts remain an industry in search of a future, and yesterday's Liberty Mutual deal is almost certainly not the last to be heard from the troubled Tonche Remnant.
Although one can be forgiven
for remaining sceptical about
TR's claims for the business management group needed an outside shareholder to take up the slack from the ever-dwindling group of investment trusts which currently own it; and given its size and market clout, Liberty seems a logical choice to deter predators.

For its part, Liberty has paid what amounts to petty cash for access to the expertise of Britain's largest investment Britain's largest investment trust management group, and, a fashionable toehold in the UK market ahead of 1982. Liberty probably paid a small premium to the 1502 a share March valuation of Touche Remnant; but even if yesterday's purchase implies a price tag of £35m on the group overall, that is still only 1 per cent of funds under management. of funds under management.
That valuation looks far less
ludicrous now than at the
height of the bull market; but
it could still prove modest if it could still prove modest if Touche Remnant seeks a listing as expected in two to three years time — though the windfall gains to Liberty on 55m to 56m invested today would scarcely look much in view of the \$13m managed by its own Chicago based investment management offshoot.

Securitisation

The combination of a col-The combination of a collapse in the share price of National Home Loans, the recent sharp rise in short-term UK interest rates and building societies once again flush with retail funds has raised some doubts about the continuing viability of the new breed of specialist mortgage lenders. However, the decision of the Leamington Spa Building Society — a medium sized group with heady ambitions — to set up its own specialised mortup its own specialised mort-gage company, thus doubling its lending capacity without the need for extra capital is another sign that the market for securitised mortgages in the UK is coming of age.

The relative attractions of funding mortgages from a retail or wholesale deposit base may fluctuate from time to time, but Leamington Spa's novel off-balance sheet vehicle has demonstrated that even a building society can overcome the various hurdles which have delayed the securitisation of building society mortgages. Despite the current interest rate structure, it should be able to earn a margin of close to 100 basis points by borrowto not have goines by corrowing in the euro-commercial paper market; and if it tapped the US commercial paper market, its margins might be even better. The only snag may be that the particular applications of the content of the con that as building societies become increasingly like banks, it will be difficult to ignore off-balance sheet items in capital ratio calculations.

get taps and a

Carlucci gets a cockpit view Continued from Page 1

see no change in the resources going into the military estab-lishments."

He added, however, that "I think we have already had tan-

gible results on the work that has been done on avoiding dangerous military activity. We are coming to understand each other's establishment and doctrine a bit better and we've had constructive dialogue on regional issues."

Mr Carlucci ends his four-

day visit tomorrow after a visit to the Black Sea fleet.

paid back all but the best part of his state loan: he could pay it all back now, but he is reserving it because he may low co-operators towards the possibility of prosperity and, of course, implicitly, co-op members are tled to employ contract labour. UK direct broadcasting group unveils new satellite aerial

of output. .

ufacturing agreement with Fortel, the Scottish company which developed the diamond-shaped aerial, early yesterday.

its reception equipment would be about £250.

Major manufacturers of the new receiver would be Ferguson, the UK subsidiary of Thomson, the French electronics company, Salora of Finland, the third biggest television set manufacturer in Europe and the UK subsidiary of the Tatung Corporation of Taiwan. The three were chosen from a The three were chosen from a short-list of 15 to make the set-

The announcements mean that the multi-million campaign to sell new channels of satellite television to the British viewer is now under way. In June Mr Murdoch, chief executive of News International announced that he would launch four channels of advertising-financed television to be broadcast by the Luxembourg satellite Astra direct to the home using the existing PAL standard in February.

At the same time Mr Alan Sugar, chairman of Amstrad, said he would produce basic 60cm reception equipment for the Murdoch service Sky Telethe Murdoch service Sky Tele-vision to retail at £199 and £259

Hitch in Gulf peace talks

the report later today from a UN team which has been discussing details in Tehran and Baghdad. Although he stressed that he would continue to consult with the belligerents, he also made clear that if neces-

Such an action would put the Council on a collision course with Iraq, which will then have to decide whether to fight on against the will of the international community and of some of its strongest sup-porters. Mr Perez de Cuellar hinted this could lead to Secu-rity Council action to force

sary he and the Security Council could proceed without their

US indicators show economy still expanding, Page 5; Lex, Page 16

CITICORP

CONSOLIDATED BALANCE SHEE

(in Millions of Dollars except per share amounts)	
ASSETS	June 30 1988
Cash and Due from Banks	\$ 4.60
Deposits at Interest with Banks	12.78
Investment Securities	14.03
Trading Account Assets	F 00
Federal Funds Sold and Securities Purchased Under Resale Agreements	7.94
Loans and Lease Financing, Net	
Consumer (Net of unearned discount of \$3,591 in 1988 and \$4,045 in 1987)	
Commercial (Net of unearned discount of \$490 in 1988 and \$500 in 1987) Lease Financing	55,97 4.07
Loans and Lease Financing, Net of unearned discount	
Allowance for Possible Credit Losses	44.74
Total Loans and Lease Financing, Net	
Customers' Acceptance Liability	4.03
Premises and Equipment, Net	3.32
Interest and Fees Receivable	3.32
Other Assets	10.95
Total	\$ 205.19
LIABILITIES	
Non-Interest-Bearing Deposits in Domestic Offices	\$ 12.65
interest-Bearing Deposits in Domestic Offices.	48.05
Non-Interest-Bearing Deposits in Overseas Offices	4.23
Interest-Bearing Deposits in Overseas Offices	55.51
Total Deposits	\$ 120.46
Purchased Funds and Other Borrowings	32.54
ACCEDIANCES CUISIENONO	4.06
ACCTUBULIBUSES and Other Expenses	4.57
	10.31
LONG-18111 DBCL	20.95
SUDDITIFIED CEDIA! Notes	3.24
Redeemable Preferred Slock	46
STOCKHOLDERS' EQUITY	
Preferred Stock (Without Par Value)	
Common Stock (Par Value of \$1.00)	
	346
	2.884
Common Stock in Tressury, at Cost	4,597
# 1-1 Or	(415
Total Stockholders' Equity	3 8,997
[Clai	
	3 206,193

By Raymond Snoddy in London to run in a watchful mode-we THE SATELLITE television battle between British Satellite Broadcasting and Mr Rupert Murdocb's Sky Television intensified yesterday as BSB unveiled a revolutionary flat BSB said the aerial was one quarter the size of dish aerials needed to receive the four channels planned for launch in February by Mr Murdoch. At the same time it demonstrated top receivers exclusively for the first three years. The announcements mean intentions, has now moved up in stages from 3.25 per cent in In stages from 3.25 per cent in late June.

The rises are in line with increases in other German interest rates and mark the 25cm aerial to receive its three new channels from space. BSB. Britain's £625m (\$1.27bn) direct-broedcastingthat its D-MAC system could prodoce sharper, clearer pictures on existing television sets and said the retail price of its reception equipment would be shout 5250 central bank's attempt to keep its money-market rates between the discount rate, which now stands at 3 per cent, and the Lombard rate. However, German daily monby-satellite venture, signed an exclusive marketing and man-

Continued from Page 1



FINANCIAL TIMES COMPANIES & MARKETS

Wednesday August 3 1988

David Lascelles examines a setback to automated clearing in London

create a "Rolls Royce" system

with an array of options, when the City needed "a Ford Cortina", straight and simple.

Ironically, LondonClear would

not have saved enormously on existing costs. One clearing

banker estimated yesterday that

the entire market used only 30 messengers at a total cost of well

under £1m. His own bank kept all

its money market paper in a sin-

Mr McWilliam rejects the criti-

cisms about excessive cost. He says that banks were "deeply consulted" about the system's

requirements and costs at all

stages, and had plenty of oppor-tunities to voice their worries. He also defeods the decision to

go for a high quality system on the grounds that a market where banks manage their liquidity and

the Bank of England makes its

interventions must be totally reliable. He said it was essential, for

example, that the computers be

dnplicated for emergency or breakdown - even though this

doubled the equipment costs

and that they be sophisticated enough to adapt to changes in the market.

buying back the 11.44 per cent stake at a higher price. At yester-day's closing price of A\$1.78, the

stake would have cost Adsteam

Bond has already paid a pre

mium to bny ont Sir Ronald

Brierley, chairman of the Indus-trial Equity holding company,

and Mr Kerry Packer, the Austra

lian media entrepreneur, who had joined forces earlier this year

to thwart Mr Bond's plans for

The two entrepreneurs had

jointly hid A\$1bn for Bell Resources, but were paid A\$2 a share for their 6.5 per cent block,

and withdrew their bid on July 1.

The pressure exerted on Mr Bond by Mr Spalvins will be

which the Bond group has taken on to fund its bid for Bell Group.

sed by the large borrowing

about A\$113m.

Bell Group.

gle small safe.

Bank of England as a depository,

to replace paper with electronic

LondonClear attracted only 40

would be members, well below the 70-plus which it needed. And

it got only half a million pounds

compared with the £9m it wanted for the first phase.

Bankers yesterday cited two reasons for the poor response. One was cost. The total of £12m, not including £4m of lease

finance, was far more than they had been led to expect. This would amount to several hundred

thousand pounds per member, some of which retain profits of barely £1m a year.

The twist to the situation is

that the clearing banks with the deep pockets are not the biggest users of the money markets: they

issue a lot of paper but they deal less in the secondary market than small banks and discount

houses. So they were reluctant to

put up large sums. Conversely, the smaller institutions which

Many bankers also complained that LondonClear was trying to

ADELAIDE STEAMSHIP, the a Court - Bell Resources and seful blocking tool.

ACCOURT - Bell Resources and seful blocking tool.

Mr Spalvins may also be company headed by Mr John

Bond is hidding A\$2.70 a share attempting to push Bond into

for all but the 19.9 per cent it already owns of Bell Group, valu-ing the entire Holmes à Court

master company at A\$850m (\$468m). Mr Holmes a Court and his companies had come under

financial pressure after the Octo-

ber stockmarket crash, prompting the sale in April of the 19.9

Mr Spelvins' interest is there-fore twofold First, he is probably

looking to force Mr Bond into

selling some strategic assets to Adsteam in order to win that

company's support for the

merger plan.

Anything less than 100 per cent control by Mr Bond would cause

him difficulties in getting access to the cashflow of the two Bell

companies. A strategic 11.44 per cent minority stake held by Adsteam would therefore be a

Fiat takes 14% stake in Labinal

Although Fiat said it had no intention of increasing its hold-

ing, French authorities expressed

some concern over the share pur-

chase. With annual sales of more

than FFr2.5bn; Labinal supplies

components to the defence indus-

afford a heavy investment.

Adsteam move threatens

Bond's plans for Bell

per cent stake.

By Bruce Jacques in Sydney and Andrew Baxter in London

higger dealers could not

But after three years' work



INSIDE

London sets sights on Ecu market



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The UK Government hopes its decision to issue Treasury bills depreniested in European Currency Units will lead to a new Londonbased international market in Ecu debt. This way, the refinancing nperation announced yesterday by Nigel Lawson (left), Chancellar of the Exchequer, was

intended as a "practi-cal" ateo toward the use of Europe'a hybrid currency - contrasting with broader aspirations for a European central bank and a common monetary policy. The UK's planned redemption of its \$2.5bn floating rate note also reflects the large rise in its official reserves. and the Treasury's desire to diversify the cur-rencies held as reserves. Page 20

TLC makes sweet gain on \$44m Callard sale

TLC Group, the private investment partnership which last year acquired most of the interna-tional businesses of Beatrice Foods in a \$985m leveraged buyout, has agreed to self Callard & Bowser, UK-based manufacturer of fine confectinnery and hutterscotch, to United Biscuits for a total consideration of about \$44m. Profits from the sale will allow TLC to cut the cost of its Beatrice acquisition to \$340m. Page 18



The battle between Racal Electronics of the UK and Millicom of the US, over the future of Racal's telecommunications subsidiary will reach its final heat to the next two weeks as the apponents ready themselves for an extraordinary meeting on August 16, Hugo Dixon reports on the opinions of shareholders caught in a corporate tug-of-war. Page 18

Valmet taps into Finland's private capital market

Valmet, the Finnish state-owned metal and engineering group, will become the country's first state-owned company to be parity-priva-tised through an issue of 6.5m shares at FM120 (\$27) aplece to domestic Investors. The issue does not amount to privatisation, says Matti Kankaanpaa, Velmet president, but will provide the company with more money for acquisitions, research and development. Page 19

Dim view for grain markets



The outlook for the world's industrialised grain-producing countries is anything but optimistic, warns the Wheat Council, As the main market shifts to developing countries,

higher prices could mean disaster for producers and their financially-troubled customers, who would be unable to meet increased impoort bills. Bridget Bloom looks at the dilemma posed by the growing grain markets. Page 32

23 23

Market Statistics

FT-A indices FT-A world indices FT int bond service . Financial futures

London share service London traded options World stock mkt indices

Companies in this section

Alliant Computer 18
Amersham Intl 22
Banco Blibso-Vizcaya 19 Panro Industries Bayernhypo Boeing Bridgestone Callard & Bowse Hafslund Nycomed Lassa Tire McCarthy & Stone Millicom Munich Re

18 Recal Electronics Ranks Hovis Securicor Security Services Shandwick Siemens 18 Solliers Foods Standard Bank Sun Microsystems TLC. Texaco United Biscuits Valmet Wagon Industrial Weverley Cameron Wharf Holdings Pacar Systems Yorkshire Bank Yorkshire Chemicals

Chief price changes yesterday PRANKFURT (Dns) - 13.5 - 6.0

TOKYO (Yen) LONDON (Pence)

656 489 276 253 206 248 273 + 25 + 11 + 8 + 8 + 10 459 413 460 734

try and owns a large stake in Turbomeca, the French helicop-The Italian car group said yes-terday that the FFr400m (\$63.5m) purchase was defensive and that ter engine manufacturer. Moreover, Labinal's top man-agement criticised the Fiat acquiit had no hostile takeover intensition on the grounds that the company had always opposed the entry of a car manufacturer as a shareholder, because of the risk The French company has been of undermining sales to other

the subject of intense takeover speculation on the Paris bourse during the past few weeks. Both United Technologies and General Electric of the US were said to motor groups. Banque Arjil, the small investhave shown interest in the 14 per ment bank controlled by Mr Jean-Luc Lagardere, the chaircent stake, which was held by foreign investors.

he collapse of London-Clear has caused consider-

able embarrassment and some recrimination in the City of London. The project, launched a year ago by 36 UK banks with the backing of the Bank of England, would have automated the City's

paper-based sterling markets. But on Monday it foundered on the reluctance of its backers to cover

its £12m (\$20.5m) launch costs.

Is the collapse a sign of the short-sightedness of London's

financial institutions, as some people such as Mr David McWil-liam, LondonClear's chief execu-tive, have claimed? And in that

case does it reflect badly on Lon-

don's ability to compete in the international financial market-

place? Or was LondonClear ill-conceived, and therefore rightly terminated? What everyone

agreed yesterday was that some-thing needs to be done about the

sterling markets, where billions of pounds worth of hills and

other money instruments are traded daily – and delivered by messengers plying the City's streets. LondonClear would have

provided an independent, com-

puter-based system using the

Spalvins, emerged yesterday as the holder of 11.44 per cent of Perth-based Bell Resources, the

asset-rich jewel of Mr Robert Holmes à Court's dwindling cor-

Adsteam, which currently has a stake of about 8 per cent in Commercial Union of the UK.

said it holds 63.35m shares in Bell

Resources. The announcement confirmed widespread specula-

tion that Mr Spalvins was build-

ing a stake in Bell, shares of which have been heavily traded

The emergence of Mr John Spalvins' strategic shareholding almost certainly spells trouble for

Mr Alan Bond's ambitious plan effectively to merge his flagship company, Bond Corporation

Holdings, with the two former flagship companies of Mr Holmes

Fiat has acquired a 14 per cent stake in Précision Mécanique

Labinal, a French supplier of

compenents to the car and aero-

space industries with which it

has close commercial and indus-

porate empire.

recently.

trial links.

Hachette groups, advised Fiat on the deal. The Italian group has close ties with Matra including joint ventures in car components and cellular mobile radio With 14 per cent, Fiat is the

man of the French Matra and

largest single shareholder in Labinal. Other significant stakes are held by the Caisse des Depots, the French state financial institution, with 13 per cent, the state-owned UAP insurance group with 11 per cent, the Banque Nationale de Paris with 2.5 per cent, and the Axa insurance group with 5.5 per cent. The Szydiowski family, founders of the Turbomeca helicopter engine group, owns 11.5 per cent of Labinal.

Steetley of UK expands in Spain

By Philip Coggan in London

Steetley, the UK construction materials group, yesterday substantially expanded its Spanish aggregates interests through the purchase of five connected companies for a total of Pta5.19bn

(\$42m) The acquisitions are the first by Steetley since it raised 268m through a rights issue in June, specifically to fund overseas

British building materials groups have tended to expand through acquisitions of overseas aggregates companies in recent years, since UK reserves are tightly held by a few large com-

in the US - a trend highlighted by Beazer's recent \$1.7bn purchase of Koppers - but Steetley's main thrust has been into France, where it is now the largest aggregates producer.

"The main reason we want to invest in Spain is the growth potential," Mr Richard Miles, Steeley managing director, said yesterday. "The aggregates market is highly fragmented."

After the latest purchases,

Steetly estimates it will have about I per cent of the total Spanish aggregates market, but it will account for 20 per cent of aggregates and 15 per cent of ready-mixed concrete supplied in the Madrid area.

Steetley made its first purchase in Spain in April with the acquisition of La Pola, a quarrying and ready mixed concrete operation near Madrid - the same area where the new acquisitions are

Overall, Spain's Pta5,000bn construction market is forecast to grow at 9.2 per cent this year and 8 per cent in 1989, according

to Euro-Construct, a federation of leading economic and industrial forecasting bodies. That means that Spain is now the fastest growing construction market in Europe, boosted by a rapidlygrowing economy and a substan tial increase in investments in roads and other infrastructure.

The five companies Steetley has bought - Casla, Artemade, Transcasla, Hormidosa, and Hormosa - own or have rights over more than 30 years of proven sand and gravel reserves at current rates of production. Last year, they made pre-tax profits of

City sticks to a paper standard

D. McWILLIAM (APACS), the umbrella body for the UK clearing system. APACS had two members on LondonClear's board, and it will now be considering whether to take its work forward. APACS would be quite different from LoodonClear, the disadvantage is that it is dominated by the clearing banks rather than the main users of the sterling markets. On the other hand, it is a deep

repository of experience in set-tling and clearing. The collapse of LondonClear has set back the modernisation of the London markets at a time of heightening international competition. Although New York's money markets are still paper-based, continental countries such as France, Italy and Spain are going over to computers, and Australia recently introduced a

system very similar to that

LondonClear removes a potential rival, they are not comparable: as dealers in their own right, they planned by LondonClear. The UK's domestic markets are neither as big or as important internationally as the Euromarkets, also based in London, so the damage caused by the setback will be limited. But this is not a moment when London can afford big blunders.

Bridgestone buys base in Turkey for \$60m

By Stefan Wagstyl in Tokyo

BRIDGESTONE, the Japanese tyre company which is buying Firestooe Tire and Rubber of the US, has signed a \$60m deal to purchase a 36 per ceot stake in a tyre manufacturer in Turkey. The group intends to use the Turkish venture as a base for supplying Africa and the Middle East, just as the Firestone acquisition, on a much larger scale, is

giving it a presence in North America and Europe. Mr Masayuki Kinoshita, executive vice president, said yester-day that the agreement would turn a company operating in three regions - Asia, North America and Europe - into one

America and Europe – into one operating in four.

Under the terms of the agreement, Bridgestone is going into partnership with Sabanci, a diversified Turkish industrial group. Bridgestone is paying \$60m for half of Sabanci's 72 per cent stake in Lassa Tire Manufac. cent stake in Lassa Tire Manufac-turing and Trading, a company listed on the Turkish stock mar-

ket. Remaining shares are held mostly by financial institutions.

The joint vecture, to be called Bridgestone Sabanci Tire Manufacturing and Trading, will initially control 30 per cect of the Turkish tyre market, it employs 1300 people and last year earned 1,300 people and last year earned \$15.7m on sales of \$132m.

Mr Kinoshita said Bridgestooe's hope was to double output from 100 tonnes a day over the next few years. The company would first conceotrate on a new range of truck and bus tyres and later expand passenger tyre production.

Bridgestone would transfer technology to Turkey and send up to 50 Japanese staff to the project, he said.

Bridgestone hopes that the Turkish plant will eventually replace Japanese exports to the region. Africa and the Middle East took one-third of the group's total exports last year by volume. By value, total exports were 26 per cent of parent company sales of Y557bn (\$4.22bn).

Sabanci is one of Turkey's two largest industrial groups. Mr Sakip Sabanci, chairman, has built an empire ranging from banking and insurance to eleconics and agriculture. Net sales last year were \$3.6bn. Lassa, the tyre company, started production in 1977 with technology from Uniroyal Goodrich.

Bridgestone is to increase

yesterday to be the Association for Payment Clearing Services Liberty Mutual acquires 15% of Touche Remnant

By Nikkl Talt in London

LIBERTY Mutual Insurance Company, one of the largest property-casulty insurance companies in the US, is taking a 15 per cent stake in Touche Remnant Hold-ings, the UK fund managment

"If you cut costs, you also have

to take short cuts with equip-ment and software - or change the nature of the service," he

The second complaint was

bureaucracy. With several com-mittees and much consultation

machinery, some bankers felt LondonClear could never be flexi-

ble enough. Again, Mr McWilliam

ondonClear was designed to be

highly responsive.
There were also some doubts in people's minds as to whether

London needed to create a new

system from scratch. Two banks

- Chase Manhattan and First
Chicago – already supply automated clearing and settlement

services for the London markets,

and both are eager to expand their business in sterling instru-

ments. But though the collapse of

lack the independence the Lon-donClear would have had.

up LondonClear's pieces seemed

The most likely entity to pick

denies this charge, claiming that

group.
Touche Remnant, an unquoted company, is Britain's largest investment trust house, with these funds accounting for around £1.8bn of the total £3.5bn funds under management. Before the Liberty deal, the trusts themselves were also the sole owners of shares in the management

company. No price was announced yes-

putting a price tag of £32m (\$55m) on the group. Liberty is believed to have paid a premium of about 10 per cent over this. Liberty said yesterday that it

terday. In March, however, TRH, shares were valued at 159p each,

fully supported TRH's aim of seeking a stock market listing in due course. TR has made clear that it would like to float, subject to market conditions, in the early

TR said the deal offered the prospect of developing international products together with Stein Roe & Farnham, the Chica-go-based investment management company in which Liberty owns an 80 per cent stake. Background, Page 22

production of car radial tyres at its Nashville, Tennessee plant. It is investing Y4bn to lift output from 1,000 to 3,000 tyres a day by the end of this year Reuter reports. Annual output is expected to be raised to 2m tyres by the end of 1989.



INTERNATIONAL COMPANIES AND FINANCE

Texaco seeks buyers for big Canadian offshoot

which is reorganising its operations after years of corporate upheaval, is planning to sell its majority stake in its big Canadian subsidiary in a deal Wall Street believes could net more than \$2.5hn.

The US group, which has just fought off a bid for control hy Mr Carl Icahn, the takeover specialist, said yesterday that it would seek offers for its 78 per cent interest in Tayana per cent interest in Texaco

But Texaco will try to keep its subsidiary's interests in various overseas exploration joint ventures, ootably a highly promising find in Brazil Texaco Canada said it was forming an independent committee of the board of directors to consider the move.

Yesterday's announcement by the US group is the latest in

TEXACO, the US oil company a string of asset sales, joint ventures and financial rejigs which Texaco has put forward in efforts to recapture Wall Street's favour after years of weak financial performance, litigation and bankruptcy. The snburhan New York

company won investors' sup-port against Mr Icahn at a bitter proxy fight in June, hut at the price of a scheme to sell off more than \$5bn in marginal assets and pay ont a third of the proceeds to stockholders.

Texaco has already sold its West German business, Deut-sche Texaco, for \$1.2bn and raised over \$800m from selling half of its big marketing net-work in the eastern US to

Mr James Kinnear, chief executive, said yesterday: "The possible sale of Texaco's interest in Texaco Canada – poten-

tially the third major sale of operating assets in the com-pany's restructuring — would represent another major advance in that programme."

Mr Philip Dodge, an analyst at Nomura Securities in New

York, believes that Texaco Canada, which has a publicly quoted minority shareholding, is worth as much as C\$3.9bn (US\$3.25bn) in its entirety. The company, which has some 380m barrels of proven oil and natural gas liquids and 1.98bn cu ft of gas, operates refineries in Ontario and Nova Scotia and sells petrol and petroleum products throughout Canada. Husky Oil and Canadian Occidental have already expressed interest in the com pany, while Mr Icahn held talks with Gulf Canada in an

attempt to pre-sell the business as part of his takeover bid.

US group sells Callard & Bowser

By Anatole Kaletsky in New York

TLC GROUP, the private investment partnership which last year acquired most of the international husinesses of Beatrice Foods in a \$985m leveraged huyont, is to sell Callard & Bowser, the UKbased confectionery manufac-turer to United Biscuits, also

of the UK, for \$44m.
UB will pay £21.5m, or about \$37m, in cash and assume debts of around \$7m. The deal cuts TLC's net acquisition costs to \$340m.
TLC, run by Mr Reginald
Lewis, one of America's best
known black businessmen, will thus have repaid twothirds of the cost of buying Beatrice International in just

over a year.

Over the past year, TLC has raised \$137m through the sale of Beatrice International's -Latin American businesses, \$235m by selling 80 per cent of Beatrice Canada and \$90m by disposing of its half-share in a meat processing venture in

Spain. Mr Lewis, TLC's chairman, sald he was now working on the "repositioning" of two other businesses which did "not fit the profile of the remaining Beatrice units." These are Beatrice Poultry, based in the UK, and the Beatrice Bottling Group, based in the Netherlands and Belgium. After all these divestitures, Mr Lewis and his partners will still own a business with annual revenues of over \$1.5hn. Its main operations will be in France, where Bea-trice International owns convenience stores and hypermarkets with annual sales of over \$1bn. The European group also

has a \$200m ice cream business and Tayto, the largest snack company in Ireland.
TLC intends to hold on to a 50 per cent interest in a food business in China, a company based in Hong Kong and its 20 per cent interest in Beatrice Canada.

Clay Harris adds from London: Callard & Bowser, which registered sales of £23.8m in 1987, will become part of UR's confectionery division, which includes Terry's of York. UB said it would retain the UK factories at Halifax, Yorkshire, and Bridgeond Wales. and Bridgend, Wales,

US ready to refinance arms loans Peabody as its financial advi-sor and has also set up a large

srael is likely to be the first of a number of nations to refinance military loans extended by the US Government in the early 1980s.
Wall Street brokers estimate
that perhaps as much as \$14bn
in loans awarded to more than Shearson Lehman Hutton and Salomon Brothers as the origi-nal co-leads and Bear, Stearns, First Boston and Merrill Lynch added as co-leads recently. Tunisia has appointed Citi-bank as lead manager and Bankers Trust and Merrill Lynch as co-leads 20 countries to buy US arms could be refinanced in New

Many of these countries Many of these countries have been paying 13 or 14 per cent interest on their borrowings, but now they have the opportunity to secure dramatic savings after a Congressional vote in December which gave the go-shead to refinance at lower interest rates. set up a management team comprising Bankers Trust, Lazard, Salomon Brothers and Shearson Lehman Hutton to

lower interest rates. The programme, passed into law by Congress, provides for nations paying at least 10 per cent interest on their loans to refinance. The US Government will guarantee 90 per cent of the principal and interest on the new loans, leaving 10 per cent of the risk to the borrower nation,

Bnt, after criticism within the financial industry, the Treasury reversed an earlier ruling and allowed the 10 per cent to be collateralised with

US Treasury securities.

The Treasury initially opposed the refinancing programmes at much lower interest rates but its revenue considerations were walved in favour of the strategic priori-ties of the State Department and the Defence Department.

The only three nations which have so far appointed financial advisors and management teams are believed to be Israel, with \$5.5bn in loans to refinance, and Tunisia, which has just under \$200m in loans outstanding.

on how each individual sountry will choose to refinance their loans is at a fairly early stage. It seems likely that the nations will tend to collateralise the 16 per cent portion of the loans. This path provides investors with the most risk-averse package and therefore borrowing countries with the most cest-efficient method of refinancing debt. lead management team with Shearson Lehman Hutton and

Lynch as co-leads.

Turkey is believed to have

dent in the government finance department at Citibank, said he helieved Tunisia would choose to collateralise the 10 per cent portion. The US has given many nations the opportunity of securing dramatic savings in refinancing their military loans.

JANET BUSH in New York reports

organise the refinancing of a potential \$1.2bn in loans and \$400m in arrears.

Other nations are known to have been taking soundings and Pakistan recently listened to presentations by brokerages and commercial banks in Islamabad. Pakistan could potentially refinance \$400m. potentially refinance \$400m.
According to Wall Street sources, Israel plans to offer a \$25m bond issue in Sentember. This would be the second-largest single debt sale in the US. The largest was a \$4m assetbacked deal for the General Motors Acceptance Corporation in October, 1986.

This decision could mean

This decision could mean that various credit rating agen-cies, considering the refinancing programme and the kind of securities which could be issued, will give those securities triple A ratings.
It appears that the thinking

He explained that countries have three options. First, they could decide not to refinance at all. Second, they could simply go to a bank and take out a loan at a lower rate. Thirdly, a method which he regards as most cost-effective, a nation could issue underwritten secu-rities to US institutions. These securities would be priced at a spread above US Treasuries, probably at maturities similar to those of the original loans.

Borrowers with a smaller amount of debt outstanding

refinancing debt.
Mr Michael Clair, vice-presi-

may prefer to issue securities through a private placement. Hankers and brokers say that the attraction of winning a slice of this refinancing business is the sheer size of the programmes being put together and the high-grade nature of the paper. Despite the size of the potential refinancings, there seemed little.

doubt that the participating nations would be given a good reception in the capital markets because of the quality of the paper.

One of the most interesting aspects of the refinancing programmes is the participation of commercial bents as financial advisors and underwriters. advisors and underwriters.
There is believed to have

There is believed to have been some discomfort within the investment banking community about aggressive bidding for underwriting business by commercial banks. Regions the 1933 Glass-Steagall Act separating the two areas of banking and case law on this matter. However, it seems clear that there are strong precedents — and according by some lawyers, specific provisions—under Glass-Steagall law for commercial banks to underwrite paper guaranteed by the US Government or government agencies.

The combination of a 90 per The combination of a 90 per cent portion guaranteed by the US Gevernment and the other 10 per cent collateralised with Treasury securities, in the commercial banks view, makes them eligible to undertake the underwriting hasiness. It is not clear whether commercial banks would be able to underwrite the issues if the 10 per cent were not collathe 10 per cent were not colla-

teralised.

Mr Brian Smith, managing partner of law firm Stroock & Lavan in Washington and a former chief counsel to the Comptroller of the Currency, cites the precedent of commercial banks underwriting Federally-guaranteed Federal Housing Administration losses.

NEW YORK Life Insurance, itself of its equity exposure on which invests around \$40bn for

NY Life plans \$830m sale By Janet Bush in New York

itself and pension fund customers, is to sell its entire \$830m portfolio of stocks for its own

However, the company remains invested in equities in its managed accounts and in pension accounts managed for its own employees whose expo-sure to the stock market has,

in fact, increased.

An official for the insurer said that the decision to rid

that the funds would be reinvested predominantly in US government bonds.

its own account did not reflect a generally negative view of

It was, he added, a strategic move designed to match the income requirements of its general insurance husiness, which the company believes would be better served by an investment in fixed income.

The official said he believed

Last November, Boeing and Rockwell decided severely to cut the equity component of their pension funds. In the case of Rockwell, the company apparently ordered its fund managers on November 12 to managers on November 12 to reduce the stocks component of their portfolios within two weeks, a step regarded as radical by other fund managers.

The New York Life official said he did not regard the decision to pull out of equities on its own account dramatic.

Sharp rise in Boeing earnings

BOEING, the world's leading aircraft manufacturer and the biggest exporter from the US, reported a big advance in profits and revenues during the second quarter as worldwide demand for its commercial air-craft continued to strengthen.

Net profits totalled \$160m or \$1.05 a share, 37 per cent higher than the \$117m or 75 cents reported in the second quarter of 1987. Sales increased by 35 per cent to \$4.71bn. in terms of both its sales and earnings, the company's growth accelerated in the second quarter compared to the first. For the first six months of 1988 as a whole, earnings

said it expects sales to total

517bn.
The strength of civilian orders more than made up for a \$200m decline in military sales to the US and fereign governments during the first six months of the year. Mili-tary sales in the first half came

grew by 26 per cent to \$296m or \$1.94 a share, while sales increased by 15 per cent to \$8.32bn. For 1988 as a whole Boeing

to.\$2.3hn, or 29 per cent of Boeing's total sales.
Boeing's total firm backlog
of unfilled orders increased to
\$39.9bn from \$33.2bn at the end of 1987. Of this backlog, 82 per cent was fer commercial cus-tomers and foreign govern-

ments, while 18 per cent was for US government orders.

• Mr Daniel Tellep has been elected chairman of Lockheed, the missiles and space systems group, in succession to Mr Lawrence Kitchen, who has reached the company's mandatory retirement age of 65.

Sun Micro doubles profit

By Our Financial Staff

SUN Microsystems, the fast-growing manufacturer of computer workstations, more than doubled revenues and earnings in the fourth quarter, boosted by an aggressive shipment programme to reduce backlogs and a strong work-

station market. Earnings totalled \$25.2m or 66 cents a share on revenues of \$365.1m, against \$10.9m or 31 cents on sales of \$185.9m a year earlier and well above Wall Street expectations, For fiscal 1988, earnings

increased by 83 per cent to \$66.4m or \$1.79 a share, from \$36.3m or \$1.11 for the previous

New Issue

year. Sales rose to \$1.05hn from \$537.5m.

Mr Scott McNealy, president and chief executive officer, said Sun decided early in the fourth quarter to deliver as many units as possible to shorten customer delivery times; even if it required paying a premium to accelerate Sun's receipt of manufacturing components."

Despite the shortage of memory chips needed for its products, the company shipped more than 17,000 units during the quarter. Sun had a record end-quarter backlog level of about \$234m.

Alliant Computer launch

ALLIANT COMPUTER Systems, the Massachusetts-based computer manufacturer, yesterday announced a new series of mini-supercomputers. The move follows Alliant's merger in June this year with Raster Technologies, which specialises in high perfor-mance three dimensional

graphics.
The computers, called the Visualisation Series, are the latest of several high-powered graphic machines to be launched on a busy market. Other manufacturers of such systems include Stellar Computer and Ardent.

Last year, Alliant was the market leader in the US with 43 per cent of the mini-supercomputer market. Its net sales were \$53.8m compared with \$30.7m in 1986.

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\$30.7m in 1986.

Mini-supercomputers offer relatively powerful computing at a fraction of the cost of full-scale supercomputers, such as Crays, which can cost between \$2.5m to \$20m even before installation, Alliant's Visualisation Series starts at £54,000 (382,840)

Alliant says the market for mini-supercomputers could reach more than \$20m a year, but as yet demand is small.

August, 1988

2nd August, 1988



The Hokuriku Bank, Ltd. U.S. \$100,000,000

3% per cent. Convertible Bonds due 2003

Issue Price 100 per cent.

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Sanwa International Limited **Nomura International Limited BNP Capital Markets Limited** Dresdner Bank Aktiengesellschaft **IBJ** International Limited **Morgan Stanley International** New Japan Securities Europe Limited Towa International Limited

Wako International (Europe) Limited

INTERNATIONAL COMPANIES AND FINANCE

Finland picks Valmet for first partial privatisation

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VALMET, THE Finnish metal and engineering group, will becomethe country's first state-owned company to be partly privatised through an issue consisting of 6.5m shares at FM120 apiece to domestic

The proceeds of FM780m (\$176.5m), including a premium of FM650m, will make the issue the second biggest by a Finnish industrial company. The issue will reduce the state's holding from 100 per cent to

79.77 per cent. Valmet will seek a listing on the Helsinki Stock Exchange the Helsinki Stock Exchange (HSE) as soon as the issue is fully paid, possibly in October. The subscription period runs from August 15 to September 9. The 6.5m shares to be issued will include 650.000 shares reserved for Valmet's domestic workforce at the same price.

The shares issued are equal to the existing shares and they will not be available to foreigners. But according to Mr Matti

By Haig Simonian in Frankfurt

SALES AT Siemens, the West.

German electronics and electri-

cal group, rose by 7 per cent to DM39.7bn (\$21,23bn) in the first

nine months of the current business year, which ends on September 30.

After tax profits increased by 2 per cent to DM969m against the corresponding period last year. The boost came thanks to

Kankaanpää, president of Valmet, the company retains an option to make another launch, possibly in freeshares, within a

Valmet had an authorisation to carry out public share issues up to a nominal value of FM190m. The current issue will raise the company's share capital by FM130m.

Mr Kankaanpää emphasises that the issue will not amount to privatisation. It is aimed to improve the company's capital structure, reduce financing costs, establish market value and create a favourable image

Furthermore, it will provide Valmet with money for acquisitions. Apart from acquisitions, Valmet plans to use the pro-ceeds for investments and for

research and development. The Valmet group consists of Valmet Paper Machinery (44 per cent of net sales in 1987), automation (18 per cent),

year, said the company. Last month, Mr Karlheinz

Kaske, the chief executive, pre-

dicted that profits for the year would "not be below, and very likely above" those for 1986-87,

when Siemens made DM1.28bn

Domestic sales rose 8 per

cent to DM19.8bn in the nine months, while exports increased by 6 per cent to DM19.9bn. Meanwhile, new order levels increased by 7 per

after tax.

domestic tractor production (17 per cent), Valmet do Brazil tractor operation (8 per cent), transportation equipment (11 per cent) and aircrafts (2 per

Group sales in 1987 totalled FM7.8bn and net income amounted to FM329m. Earnings per chare, including extraordinary items, reached FM61.25. Sales during the first four months of this year rose by 79.9 per cent to FM2.54bn and profits, says Mr Kankaan-pää, are "increasing."

Other potential candidates for tapping the capital markets include Kemira, the fartiliser and paints group; Neste, the oil and chemical group; Outokumpu, the metallurgy group; and Veitsiluoto, the forest products common The state. products company. The state-controlled Enso-Gutzeit has been listed on the HSE since early this century, when the Government bought a majority

Wing Tai is to acquire from Henderson a 25.9 per cent stake in the Hongkong and China Gas Company, and a 19.7 per cent stake in the Hongkong and Yaumati Ferry In return Wing Tai will Siemens nine-month sales rise transfer to Henderson all its Letter B land exchange entitlements - government certifi-cates which give the bolder the right to acquire land in the pick-up in the group's domestic business, which had been lag-ging overseas sales in the early New Territories - in addition to its interests in certain property developments.
To balance the transaction
Wing Tai will issue new shares part of the year. Domestic new orders at the nine-months

Henderson

Land plans

asset swaps

HENDERSON LAND, the Hong

Kong property group, and its subsidiary, Wing Tai Develop-ment, yesterday announced details of a group restructur-ing which will see substantial

asset swaps between the two and the raising of HK\$960m (US\$123m) by Wing Tai through a share placement and offer to minority share-

Following implementation

of the proposals Henderson, which is controlled by Mr Lee Shau-Kee, will concentrate on property development activities, while Wing Tai will become an investment holding and property investment combany.

with unit...

By Michael Marray

in Hong Kong

stage of DM17.4bn were 1 per and warrants to Henderson. cent above the level at the same time last year, while new orders from abroad rose by 12 per cent to DM23.1bn. On completion of the deal Henderson's stake in Wing Tai will fall to 61.8 per cent from

Wing Tai will raise
HK\$960m through a share
placement, as well as an offer
to minority shareholders in
both Henderson and Wing Tai. Despite the upturn, Siemens gave no indication as to the likely course of its dividend, which was cut by DM1 to DM11 a share last year following a 13 per cent fall in profits. Wing Tai will also proceed with a one-for-five share split. It announced that it plans to pay a second interim dividend of 26 cents per share in lieu of any final dividend for the year ended June 30, 1988. Both companies have applied to resume trading on Friday.

Wharf Holdings 24% ahead

By Our Hong Kong Correspondent

WHARF HOLDINGS, the Hong Kong botel, transport and property group controlled by Sir Yne-Kong Pao, yesterday amounced a 24.2 per cent increase in profits attributable to shareholders to HK\$1.27bn (US\$163m) for the year ended March 31. Turnover fell to HK\$2.39bn

a result of the disposal during the year of the group's interests in the Wheelock Marden trading, service and manufac turing companies, in addition to part of the shareholding in Hong Kong Realty and Trust. But the remaining core divi-sions within Wharf all performed well, benefiting from last year's buoyant conditions in the Hong Kong economy.

Pre-tax profits were
HK\$1.2bn, against \$1.28bn the previous year, while extraordinary items stood at HK\$260m compared to HK\$162m. Earnings per share were 58.8 cents,

compared to 50.2 cents.

Wharf recently completed the acquisition of the US-based Omni Hotels group for HK\$1.05hn, in a joint venture with its principal shareholder, World International.

BANCO Bilbao-Vizcaya, the Spanish bank formed by this year's merger between Banco de Vizcaya and Banco de Bilbao, lifted first-half pre-tax conselidated profits by 35.2 per cent to Pta55.16bn (\$446m) from the same period a year earlier.

Joint parent bank profit rose 43.6 per cent to Pta35.41bn. Group consolidated cash-flow

gave no comparative figure for the first half of 1987.

Floating Rate Notes due 1995 The ministry and other gov-

In accordance with the terms of the Indenture, notice is hereby given that the Rate of Interest for the period 1st August, 1988 to 1st November, 1988 has been fixed at 8.75 per cent per annum. The Interest Amount, as defined of US\$22.36 will be payable on 1st November, 1988. Barciays de Zoete Wedd Limbed Agent Bank

PIMA Savings and Loan

Association

US\$100,000,000

This announcement appears as a matter of record only.

JUNE 1988

U.S. \$150,000,000



Short-term Financing Facility

Arranger

Credit Suisse First Boston Limited

Lead Manager Credit Suisse Canada

Co-Managers

ABN Bank Canada

Banca Nazionale del Lavoro of Canada

The Bank of Tokyo Canada

Banque Nationale de Paris

Banque Paribas du Canada

Dai-Ichi Kangyo Bank (Canada)

Crédit Lyonnais Canada

Deutsche Bank (Canada)

Fuji Bank Canada

National Westminster Bank of Canada

Sanwa Bank Canada

Swiss Bank Corporation (Canada)

Société Générale (Canada)

Union Bank of Switzerland (Canada)

Facility Agent

Credit Suisse First Boston Limited

EEDOM OF **FO**WER

a substantial unswing in the third quarter of the current business year, which has more than made up for lower earn-ings in the first half of the The figures confirm the South African

first-half profits By Jim Jones ..

bank raises

in Johannesburg. STANDARD BANK, the former South African associate of Standard Chartered of the UK, suffered from narrower lending margins in the six months ended June 30, but increased

profits with greater lending. Total advances increased to R21.1bn (\$8.61bn) on June 30 from R18.5bn on December 31, with Ribn of the increase com-ing from mortgage lending.

The interim operating profit before interest payments rose to R994m from R785m in the corresponding period of 1987. R842m from R666m and the

interim pre-tax profit was R152m against R120m. In 1987 as a whole, the operating profit was R1.71bn, interest payments totalled R1.38bn and the year's pre-tax profit

Dr Conrad Stranss, manag-ing director, expects profits to grow as quickly in the second half as in the first. Standard has been particularly aggressive in lending to house buyers and held its mortgage interest rates below those of competi-

tors until June 30. The rates are now in line with those of competitors and the bank bopes to increase its total mortgage lending to R2.7bn by the end of the year from R2.1bn at the end of June. Lending to corporate and pri-vate borrowers is expected to slow in the wake of higher

interest rates The first half's earnings per share increased to 108 cents from 92 cents and the interim dividend has been raised to 27 cents from 22 cents. Last year's full earnings were 225 cents and the year's dividend was 82

By Karen Fossii in Oslo

HAFSLUND NYCOMED, the

diversified Norwegian group

with main interests in pharma-centicals and energy, is seek-ing to increase the limit on the

foreign ownership of its voting shares to 33.3 per cent from 20

The move is an attempt to bring fresh capital into the

Currency factors depress premiums at Munich Re By Our Frankfurt Staff

PREMIUMS AT Munchener Ruckversicherung (Munich Re), the world's largest rem-surance company, fell by just under 2 per cent in the 1987-88 breiness year to about business year to about DM11.7bn (\$6.25bn).

However the fall was exclusively due to currency factors, according to the group, and profits, which were again "sat-isfactory," will be sufficient to pay an unchanged dividend.

Last year, the Munich Re raised its dividend by DM1 to DM10 a share on turnover which increased by I per centto DM11.95bm. After tax profits

Domestic premiums rose in the 1987-88 business year, which ended on June 30, with life re-insurance showing the biggest increase. However, for-

eign premiums fell owning to the strength of the D-Mark. Full results will not be released until later in the year, but the group said underwritbut the group said underwrit-ing losses on reinsurance would be about the same as last year's loss of DM406m. By contrast, the group said the general business result, which comprises investment income, would be above the DML1bn

reported in 1986-7. A very substantial allocation to the provision for expected claims fluctuations was again likely, while reserves were also likely to be strengthened, said

Liability and motor reinsurance remained unsatisfactory, it said, while natural catastrophes as well as large claims had also bad a notiveable

Setback for Bayernhypo

By Our Financial Staff

BAYERISCHE Hypotheken-und Wechsel-Bank (Bayer-nhypo), tha West German bank, said yesterday that total operating profits fell in the first half of 1988 despite favour-able, developments in trading able developments in trading on the bank's own account.

ure, but said group partial operating profits had fallen by 13.4 per cent in the first six months of this year. First-half parent partial operating profits fell 14 per cent to DM375.9m (\$201m) from the DM437.6m

The bank considered that its

risk position had improved diminished.

Mortgage business had

picked up sharply in the sec-ond quarter of this year after a slow start to 1988. This reflected a trend towards higher interest rates
Non-mortgage loans rose
slightly, to DM23.4bn at the
end of June from DM23.1bn at
the end of last year. Customer
deposits rose to DM29.8bn from

when compared with the end of 1987. Problems associated with risk countries had not diminished overall, but Bayer-nhypo's level of unsecured loans was showing a down-wards trend. Risks linked to domestic business had also

tedown requirements had fallen sharply in the first half

earned in half of 1986. Bayernhypo also said its wri-

The bank did not give a fig-

Hafslund woos foreign holders

Petroleum, on the Oslo Stock for an undisclosed amount. Exchange in terms of market value, which is estimated at NKr6.5hn (\$358m).

The purchase will put I among the world's top the producers of formaldehy The purchase will put Dyno among the world's top three producers of formaldehyde, behind US-based Borden and Georgia Pacific, with an annual production of 400,000

Approval must be given by the Ministry of Finance to increase foreign ownership. Hafslund says that it is seek-ing also to expand to 50 per cent the non-voting shares metric tonnes. The acquisition also gives Dyno a 50 per cent UK market share for formaldehyde prod-ucts, with an annual productonnes and annual sales of

Merged Spanish bank 35% up By Our Financial Staff

earlier.

rose 39.9 per cent to Pta103.26bn, while parent bank cash flow rose 52.2 per cent to Pta70.08bn. Net interest income was Pta157.78bn, but the bank

Operating profit rose 23 per cent but again the bank gave no comparative. Group depre-ciation charges and bad debt provisions totalled Pta43.13bn.

available to foreigners. • Dyno Industrier, the Norwegian diversified industrial company in preparation for a possible new share rights tion at the Duxford (near Camgroup, has acquired the UK formaldehyde products busi-ness of Swiss-based Ciba-Geigy Hafshund is the second largest company, behind Norsk bridge) site of 100,000 metric

Seoul not to ease control of central bank

Hydro and ahead of Saga

INCREASING demands for financial liberalisation in Sonth Korea have heen rebuffed by the Ministry of Finance, which has made it clear that it will not relinquish control of Bank of Korea, the central bank.

By Maggle Ford in Seoul

The ministry's signal follows a decision by the heads of the top five commercial banks to make public their request for independent directors. At pres-ent the top executives of the commercial banks and the gov-ernor of Bank of Korea are appointed by the Government.

The ministry is expected to announce today that the Office of Bank Supervision and Examination, at present a subsidiary of BoK charged with overseeing the commercial banks, is to be hived off and placed under direct government control. It will also supervise non-banking institutions. The central bank will remain under the control of the minis-

The decision follows a mounting campaign by South korean businessmen for the Government to deregulate the

financial sector and introduce a Western style money market, and an independent central bank. The campaign, which groups Bok, the securities industry, the biggest business groups, most foreign financial institutions and now the commercial banks, has been backed by the opposition par-ties in the National Assembly.

Businessmen bave argued that the South Korean econ-omy is now too large and too complex to be run by economists whose skills have been well attuned to a developing country, but who have little experience in the financial

ernment economic planners have resisted the campaign, arguing that it will lead to centralisation of economic control in the big business groups. Government agreement for change is essential in the case of the commercial banks, which are saddled with nonwhich are satisfied with inter-performing assets amounting to as much as 3,000hn won (\$11.08bn) as a result of govern-ment-enforced bailouts of bankrupt companies.

THE KINGDOM OF DENMARK

US\$100,000,000

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tion, signalling and security.

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Floating Rate Notes Due 1993

In accordance with the Terms and Conditions of the Notes, notice is hereby given that the Rate of interest for the Interest Period from 3rd August, 1988 to 3rd February, 1989 being the first Interest Payment Date (all as defined in the Terms and Conditions), is 4.97% per annum.

Interest payable on 3rd February, 1989 will amount to ¥2,505,425, per ¥100,000,000 principal amount of the Notes.

Agent Bank The Long-Term Credit Bank of Japan, Limited

later firster total Limited

Per Limited anterditured. je na 1 mit & intriff." Batter Bulleting BUSH FREE interior

INTERNATIONAL CAPITAL MARKETS AND COMPANIES

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D-Mark 1

Bold bid

for lead

Ecu role

By Stephen Fidler

THE EUROPEAN Currency Unit, created in 1979 at the birth of the European Mone-tary System, is the most suc-cessful artifical currency ever

This, however, says more about the failure of other com-

posite currencies, such as the Special Drawing Right, to find a use in the international

financial system than of any runaway success of the Ecu.

finances are denominated. Fur-

thermore, there has been a lack of short-term Ecu-denomi-

nated investments for would-be holders of the cur-

with potential users.

The Rcu - composed of a

Treasury plays a practical card

Simon Holberton examines the Government's refinancing strategy

f there was a word which kept cropping up in official explanations of yesterday's Government decision to redeem a 1985 \$2.5bn floatingrate note loan and refinance part of it through the issue of Treasury bills denominated in European Currency Units it as "practical." While European politicians

and European Community officials have been pushing the idea of a common monetary policy and a European central bank, the Treasury and the Bank of England were able to sit back and point out that Britain was taking a positive step towards the greater use of the Ecu — Europe's hybrid

currency.
As one official noted yesterday, the creation of an Ecu Treasury bill market had more attraction than the top-down approaches voiced on the Continent, important as they are to the dehate about European monetary policy. Moreover, it is in line with the Prime Minister's comments on European monetary issues about the take practical steps and not theoretical leaps. in terms of deht manage-

ment, yesterday's maonoeuvre means the Government can

By Our Euromarkets Staff

THE PROPOSAL to call the

\$2.5hm UK floating-rate note

failed to rock the FRN sector, where a move of this sort had

been anticipated for some

months. However, the announcement provided FRN traders with their briskest

day's business for some time as

investors switched into compa-

Dealers mourned the passing of the issue and few held out much hope that its place in the sector would be filled by new paper from similarly prestigious borrowers, which are able to achieve more efficient.

able to achieve more efficient cost of funds via swaps out of

Although a popular issue,

rable sovereign paper.

1985 - and exchange it for vir-tnally costless funding. It believes it can borrow in Ecus and invest the proceeds at a batter rate in other bonds. whils at the same time creating a new market for Ecu

Officials noted that the Government does not need the money but would like a continuing presence in the mar-ket. The Ecu was chosen in preference to issuing dollar denominated bills in London or the US to make a contribution to the development of the Ecu and closer European monetary co-operation.

The Government can now claim to have created the first international short-term market in Ecus. Although the Italian Government refinances part of its large short-term debt through the issue of Ecu bills, and to date there are about Ecu2bn outstanding, it is largely a domestic market and has strings attached.

The Government's proposal is for hids and settlements in Ecus and its market is other central banks, international hopes this will be the beginning of a new market in Ecu debt based in London and that, expensive funding at a lower on time, other European councest — the pound has apprecities may also seek to finance

FRN call sparks busy trading

the \$2.5bn UK issue did not

trade as actively as its fol-low-up — the \$4bn UK notes due 1996 issued in September 1986, fondly referred to by deal-ers as the "new" issue — and

ted to affect liquidity in the

sector greatly.
This was the first available

call date on the old issue, while the first call on the \$4bn 1996

issue is in 1991. The new issue.

firmed markedly on the announcement of the call while

other dollar-denominated FRNs

for sovereign and snpra-na-

tional borrowers were also marked higher. However, deal-

ers noted that the majority of business was professional, with

part of their short-term public debt the same way. Two other factors, however,

stand out as important reasons for the Government's decision to redeem the 1985 FRN and to issue Ecu debt: the massive rise in official reserves and the desire to diversify the curren-

cies beld as reserves.

A lot of foreign currency has aloshed into the Treasury's coffers since it decided to top up the UK's reserves in 1985 with a foreign borrowing and since it repeated the exercise with a \$40a FRN offering in 1986.

Since the beginning of last year it has been the recipient of a large and unanticipated accumulation of reserves. Indeed, since Jannary 1987 there has been an underlying the in official holdings of forrise in official holdings of for-eign currencies of about \$25bn. This accumulation occurred primarily because the Government pursued a policy of sterling stability against the D-Mark.

Its obligations under the Louvre Accord of February last year to engage in collective seven countries to promote exchange rate stability also resulted in the rise in reserves. The Government's desire to have some say over the value of the pound was again under-lined yesterday by the release

Persistent fears about large-

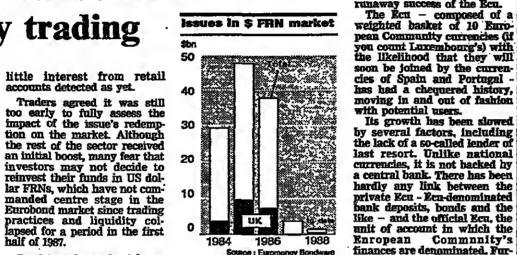
scale dollar investment have meant that sterling FRNs have

eclipsed the dollar-denomi-

of official figures showing an underlying rise of \$910m, a rough guide to the level of offi-cial intervention in July to stem the rise of the pound.
A spin-off from the Ecu bill programme will be the accumulation of European currencies. D-Marks, French francs and Dutch guilders account for about 35 per cent, 18.5 per cent and 11 per cent respectively of the Ecu, so it will lead to a progressive diversification of the UK's international

Although there is no practical reason why this diversifica-tion can not be accomplished by the Bank's own foreign currency operations, in reality the UK has run into problems by its attempts to diversify its reserves. Last December, the Bundesbank, the West German central bank, was critical of attempts by the Bank of England, on the Treasury's instructions, to huy D-Marks, as it was seen to work against G7 policy to stabilise the dol-

More recently the Bank, in its currency market interventions, has been accumulating a basket of European currencies This was done so as to pre-serve the stability of the exchange rate mechanism of the European Monetary Sys-



nated sector of the market so

Faulty wire report stuns Eurocurrency Interest Australian dollar sector

ACTIVITY IN the Eurobond market remained thin yester-day and was largely restricted to professional book squaring ed of today's US Treasury quarterly refunding announce-ment, with little trading incentives offered by movements on the foreign exchanges.

The floating-rate-note sector enjoyed a brisk burst of activity on the announcement that the Treasury would call the UK \$2.5bn issue due 1992, and

\$2.5bn issue due 1992, and prices of comparable sovereign issues in the sector were marked higher. However, syndicate activity was minimal.

Australian dollar sector specialists were taken aback by a news agency report that the state of New South Wales faced possible bankruptcy, having run up debts totalling A\$46bn (US\$38.3bn), little short of the total Australian federal debt. Prices of ontstanding State Bank of New South Wales and New South Wales and New South Wales Treasury issues were marked down by about half a point initially, although dealers detected little although dealers detected little real selling pressure from retail accounts.

The report said the state government planned a radical programme of spending cuts to deal with the problem but the story was later corrected to remove references to imminent

bankruptcy.

Dealers said the report's impact had been limited to the

state's own issues and they had not detected any ripple effects throughout the rest of the semi-government bond sec-

Some said a delayed reaction Some said a delayed reaction might be seen in Australian markets today but many added that the report did not contain any particularly new information which would seriously jeopardise perceptions of the said's credit rating.

Eurodollar boing prices were marked marginally higher on

INTERNATIONAL BONDS

marked marginally higher on

limited short covering but in continued low volumes abead of the refunding details and of Friday's US July employment report. The 1.4 per cent rise in US leading indicators for June was as expected and had little

impact.
The Bank of England announced the details of its forthcoming auction of short-dated stock and said its forthcoming auction. auction £750m of Treasury 8%-per cent stock due 1994. This was broadly in line with expec-tations and failed to move the glit-edged and Eurosterling markets significantly, although dealers reported an improve-

West German bond prices
west German bond prices
received a boest from the marginally easier initial tone of the
US dollar but volume remained
thin and final gains were limited with some short-covering seen ahead of the announcement of the details of the new

federal government bond, expected shortly.
In the day's sole new issue, LTCB International led a Yahn five-year issue for PK Bankan priced at 100.10 with a coupon linked to the yen swap rate.

Daiwa Europe fixed the terms on its recent four-year \$300m equity warrant deal for Sumitomo Metal Mining with the coupon set at 4 per cent as indicated.

No new equity warrant deals emerged yesterday, indicating that the temporary suspension that the temporary suspension of issuance in the sector appears to be holding up, although a few new issues are expected to emerge before the end of the week. Dealers said the few days' break had already resulted in a marked improvement in continue. already resulted in a marked improvement in sentiment. The Sumitomo deal was quoted hid at a discount of 97, compared with a par issue price and total fees of 24.

Provinsbanken, one of Den-

mark's top four commercial banks, has established a US commercial paper programme for up to \$250m to diversify its international funding.

W Hunt issue taken up

By Michael Marry in Hong Kong

THE LARGEST share offering by a Hong Kong company since last year's stock market crash has been successfully completed, hringing in about HK\$1.2bm (US\$153.8m) for William Hunt Holdings to help finance its purchase of a hotel obein Asia.

chain in Asia.

The offering consisted of an open offer to existing sharebolders in Hong Kong and an international placing. Brokers said that more than half the

shares were placed abroad. The proceeds will finance part of the cost of the 67 per cent stake in the Anstraliabased Southern Pacific Hotel Corporation acquired by Wil-liam Hunt from Mr Tan Sri Khoo Teck Puat, the Malaysian

financier. William Hunt is being partnered in the HKG30n deal by the Pritzker family of the US, which owns the Hyatt hotel

FT INTERNATIONAL BOND SERVICE

Saudi developer plans flotation By Finn Barre in Riyadh

MARKAH, THE Saudi Arabian property development and con-struction group, is to go public, with an issue on the Saudi stock market planned for later

this month.

Makkah has an authorised capital of SR1.36bn (\$362.6m). Shares worth SRIbn will be placed with founding shareholders, while the remaining SR336m will be placed with the

Closing prices on August 2

July, 1988



Dartford River Crossing Limited £85,000,000

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The Industrial Bank of Japan, Limited International Westminster Bank PLC Westpac Banking Corporation

Facility Agent:

Bank of America International Limited



Bank of America

It is against this background that the UK Government made its surprise announcement that it will sell Treasury Bills Listed are the latest international bonds for which there is an adequate secondary market. | It's DBLLAR | Street | Stree - short-term money market instruments - denominated in Ecu. The news was greeted enthusiastically by proponents of the European currency. It has, they say, the potential to significantly expand the Rox The Bank of England is expected to publish a paper in how the sales will be conducted, but the tenders are expected to be run, perhaps monthly, along the lines of the current UK Treasury Bill ten-The offerings, unlike ster-ling T-Bills which are backed by the British discount houses, are not likely to be underwrit-An initial offering of dis-count notes, likely to carry one, three, and six-month maturities, of up to Ecu500m will be made, with total out-chandings growing to Ecuthostandings growing to Eculbn-2bn. The notes will be treated in the same way as sterling Treasury bills, which means that foreign huyers will not be required to pay UK taxes.
The Ecu T-bills will give the
Bank access to short-term foreign currency markets at very competitive interest rates. Given the experience of other sovereign borrowers in the Eurocommercial paper mar-ket, the Bank might expect to achieve rates of about 1, per-centage points below London interbank bid rates (Libid). It could also help London to steal a march on other Euro-pean financial centres in the growing Ecn financial market. London is already one of the three main centres for trading Ecu, with Brussels/Luxembourg and Paris, which is probably the largest.

It may not be long, therefore, before other European Governments follow suit — a disappointment for dealing firms in the Eurocommercial paper market which may have hoped that they would be bringing these Governments to the short-term money markets, in the way they have done for Sweden and Spain.

Italy is the only country to have done anything similar. It seems likely that foreign central banks will be the main buyers of the bills, although institutional investors and

perhaps some corporate trea-surers will he interested. Because the bills will yield less than their cost of funds, banks will probably not be sig-nificant holders of the paper, except as traders in what could develop into an active market. market.

The move seems likely to help the other Ecu markets. Ecu bond issuance emounted to about Ecushu last year, equivalent to almost 5 per cent of the market, and Ecu Eurobonds outstandings now total Ecusahu. Short-term Ecu bank denesits emount to Ecusahu.

Ministration & Comment

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Francis Francis care sector

UK COMPANY NEWS

Problem areas hold back rise at Unitech to £14.7m

TISE 21 U

The property of the selectronic components manufacturer and distributor, yesterday reported as 9 per cent increase in pre-tax profits to £14.7m for the year to May 28. The results were in the with indications given by the management in February that the second half would be nat. UNITECH, the electronic Unitech

the management in February that the second half would be fist.

The two problem areas were Rapid Recall, which distributes components in the UK, and Rathdown Industries, which makes payphones.

Rapid Recall's business suffered mainly from a policy change by Digital Equipment, the US computer manufacturer which is its largest supplier.

the US computer manufacturer which is its largest supplier. DEC has decided to sell more of its components directly rather than through distributors.

Mr Peter Curry, Unitech charman, said there were signs that the slowdown at Rapid Recall was coming to an end.

Unitech's other distribution companies — Walmore Electronics and Celdis Italians — increased their profits, but not enough to compensate for the enough to compensate for the downturn at Rapid Recall. The division saw its profits fall by 6 Rathdown industries was hit

by a decline in orders from

Molynx doubles to £381,000 midway

First half pre-tax profits more than doubled at Molynx Holdings, manufacturer of equipment for the closed circuit tele-Sales in the six months to

June 30 rose to £3.2m, against 12.34m, which generated a present of £381,000 (£181,000). Earnings per 20p share were up from 3.4p to 4.8p.

Polly Peck

Polly Peck, agriculture, electronics and textile group, is to buy out minority shareholders in Rambow Orient Corporation, a Hong Kong company in which it holds 96.6 per cent. Its offer of HK\$5.10 a share could result in a total outlay of HK\$17.95m (£1.34m).

British Telecom, it largest cus-tomer. The connectors and special products division, which includes Rathdown, saw its profits drop by 47 per cent to

profits drop by 47 per cent to £1.7m.

Mr. Curry, said, however, that following the recent liberalisation of the UK payphone market, the company had attracted two new customers.

The power supplies and control products divisions both increased their profits – from

increased their profits - from £2.7m to £3.3m and from £1.3m to £3.3m respectively.

The group tax charge for, prospects are unexciting increased to 36.5 per cent (33.6 At a price of 239p the shares per cent), as a result of higher are fully valued.

halfway overseas earnings. Post-tax By David Barchard profits were £9.6m (£9m) and earnings per share were 19.8p YORKSHIRE BANK group (19.2p). The directors propose a final dividend of 5.96p, for a yesterday reported an increase of 14% in pre-tax profits for the first six months of 1988. total of 9.065p (7.66p). O COMMENT Net interest income rose by

Unitech seems set for another year of slow growth in 1988-89. Although the group points out that the slowdown at Rapid Recall is coming to an end, the end has not yet arrived. And, while the new liberalised market for payphones could become an attractive business in the future, it seems unlikely that Rathdown Industries will be able to do better than mark time this year, given the drop in orders from BT. Profits from in orders from BT. Profits from power supplies and control products should continue to grow, but not as rapidly as last year, now that the data processing industry seems to be entering a period of slower growth. The extra £50m in cash from Elektrowatt should help the group achieve pre-tax profits of about £20m for the year, giving 21p in earnings per share. But, barring particularly shrewd acquisitions which Uni-

shrewd acquisitions which Uni-tech has not so far been noted

Yorkshire Chemicals ahead by 35% A 35 per cent increase in

Bank 14%

up at £48m

pre-tax profits from £2.59m to £3.49m is reported by York-shire Chemicals for the six

with £38m a year ago.
During the first half the bank launched its own Visa card and over 150,000 have been issued.

The bank has more than

2.5m accounts for the first

months to June 30 1988.

The directors of this Leeds-based maker of dyes, tanning materials and speciality chemicals, have stepped up the interim dividend by 50 per cent in the context of the context o

cent to 3p.
Turnover rose to £27.05m
(£24.15m) and they said recent organic development acquisitions had considerably broadened the sales opportunities available. The programme of transference to increase capacitations. investment to increase capacities and contain costs was being accelerated. The com-pany's objective was to estab-lish a firm basis for sustainable long-term growth.

For the current year they anticipated a further significant improvement in earning per share provided world trad and exchange rates remained

close to present levels.

Earnings for the half year rose from 11.6p to 15.7p basic and to 15.2p (11p) fully diluted. Tax charges totalled £698,000 (£532,000).

Shandwick steps up world-wide expansion

By Philip Coggan SHANDWICK, public relations group, has made another round of acquisitions as part of its

world-wide expansion plans. The company is paying an initial total of £6.1m for five public relations groups in Australasia, the Netherlands and the US. the US.

Two of the companies, IPR Australia and IPR New Zea-land, are part of the IPR net-work, a loose federation of international public relations

groups Shandwick acquired the founder and largest company in the group. Tokyo-based International Public Relations, earlier this year.

tead Associates. The US com-panies are based in San Fran-cisco and Atlanta respectively. Readicut buy Readicut International, the

The other three acquisitions are Dutch-based Voorhoeve, and in the US, Hi-Tech Public

Relations and A Brown-Olms-

specialist textile manufacturer has announced the acquisition of Fox Umbrella Frames from Teampace, a private company, for £1.4m in cash. Last October, Readicut acquired another umbrella-maker, William Hoy-

land, for £7.5m in cash and McCarthy & Stone in £19.6m

retirement home specialist is to raise about £19.6m, after

The proceeds will be used partly to fund the proposed acquisition of Merlin Immobilier, French holiday apartment business. On July 5, the group announced it was offering FFr 155 92m (214 5m) for Merlin

Zoete & Bevan are to place 20m cumulative redeemable prefer-ence shares with institutional and corporate investors at just below the par value of £1. The shares will be redeemed at par on October 1 2003. Dealings are

MCCARTHY & STONE, expected to begin on August

McCarthy said the balance of its programme of expansion including the development of a

borrowing. It took out a £100m multi-option facility (MOF) in March 1987, later extended to

The shares fell 4p to close at

The next best thing to tomorrow's share price page. 0898 12 12 40/41

Mitsubishi Bank of Australia Limited

from 28th July to 28th October, 1988 the Notes will carry an

Interest payable on 28th October, 1988 will amount to

Interest Rate of 12.82% per annum.

A\$1,611.26 per A\$50,000 Note.

A\$50,000,000

The Mitsubishi Bank, Limited

London Branch Agent Bank

Floating Rate Notes doe 1991

Leading shares A-K/L-Z respectively.

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEET-ING OF MEMBERS OF PRIENDS PROVIDENT LIFE OFFICE will be held at 15 OLD BAILEY, LONDON ECAM 7AP ON WEDNESDAY MTH SEPTEMBER: 1988, at 2.15 p.m. to transact the following special business:

To propose as an ordinary resolution:
"THAT the limit on the apprepate amount which directors shall be entitled to receive as remuneration for their services in each year be increased from By Order of the Directors

B. W. SWEETLAND Secretary

3rd August 1988

Friends' Provident Life Office, Pixham End, Dorking, Surrey RR4 1QA.

(a) A Member is entitled to appoint another person (who need not be a Member) to attend the above meeting and vote instead of him.

(b) To be valid the instrument appointing a proxy, which should be as near to the form set out in rule 30 of the Rules of the Office as circumstances admit, and the power of attorner or other authority (if any) under which it is signed, or a motarially certified copy of that power or authority, must be deposited at Pixham End, Dorking, Survey RH 4 QA, not less than 48 hours before the time fixed for holding the meeting, or adjourned meeting, or in the case of a poll, not less than 24 hours before the time appointed for the poll.

(c) Proxy forms may be obtained on application to the Secretary.

(d) Members intending to attend and vote personally at the meeting should be prepared to quote their policy numbers.

(c) Only Members are entitled to vote. Certain policyholders are not Members. If a policyholder who is not also a Member completes and returns a form of proxy, it will not be counted.

(f) Members have one vote each irrespective of the number of policies held. (g) Members are entitled, on application to the Secretary, to receive a copy of the Report and Accounts.

placing to fund purchase By Andrew Hill

156.98m (£14.5m) for Merlin. County NatWest and de

expenses, by a placing of the proceeds would be used to increase working capital,

site in southern Spain.

The group has already set up two instruments for large-scale £150m, of which £104m is committed. In May, it put in place a £50m commercial paper programme to supplement the MOF.

COMPANY NEWS IN BRIEF

ABACO INVESTMENTS has acquired Foundry Management & Design Co, a technical consultancy for the foundry indus-try. Abaco is the professional services arm of British & Commonwealth Holdings FMD will join Technical Audit Group, the holding company for Abaco's technology-based con-sultancies. BABYGRO'S directors and

their families have irrevocably undertaken to accept the offer from Robert H Lowe in respect of their holdings of 1.72m shares (16.3 per cent). In addi-tion, Investors in Industry (3i), Save and Prosper Group, Klein-wort Grieveson Investment Management and Throgmorton Investment Management have indicated their intention to accept the offer in respect of an aggregate holding of 3.69m Babygro shares (35.1 per cent).

BRITISH SYPHON Industries, industrial group, is selling Graphic & Display Products to Hartons Group for about \$2.4m cash. Hartons will also settle GDP's indebtedness of about £3.4m. British Syphon has retained the freehold proper-ties occupied by GDP and intends to sell them to raise

CANNON STREET Investment has acquired Cambus Foods through its subsidiary T and L (Fine Food and Wine) for £500,000 cash. Profit for the year to March 31 1988, after adjusting for directors' remuneration, amounted to £196,000. Net assets at the date were £280,000.

ERSKINE HOUSE: Rights issue of new 7.25p convertible cumu-lative redeemable preference shares taken up as to 20.6m shares (79.4 per cent).

INOCO: a subsidiary of Monaco Group Fund has purchased 2.58m ordinary, and the share-holding of Monaco and its associates now amounts to 62.58m (48.48 per cent). Mr D. Rowland, a director of Inoco, is taken to be beneficially inter-ested in these shares. Inoco has also disposed of its leasehold investment property in Edgbaston, Birmingham, for £3m.

MARLBOROUGH LEISURE Park has hought Landsaver MCP from Eagle Trust for £5m. Landsaver, a hydroponic com-pany, has been chosen to provide the machines which will produce fresh grass for the horses of the British eques-trian team at the Olympics. Eagle Trust has acquired a 10 per cent stake in Mariborough.

NSM has substantially reduced overheads and made satisfac-tory progress in merging the two coal mining workforces, Mr Don Carr, its new chair-man, told the annual meeting. The company was formed in April from an asset swap scheme between Anglo United and Burnett & Hallamshire. Mr Carr said new sites were being developed by NSM and a review of its core activities undertaken. NSM had traded very satisfactorily in the first

OSPREY COMMUNICATIONS has acquired a small design studio, Elsey Sidaway and Wallace, for £135,000 to be paid over two years. Agreement has also been reached to acquire Marketing Strategy, a promotions company, for which the initial consideration will be satisfied by the issue of 523 255 satisfied by the issue of 523,255 ordinary shares.

SPANDEX, supplier to the signs industry, has bought 80 per cent of Signes Diseno, Spanish signmaker, for an undisclosed sum. The balance will be bought within the next five years on a profit-related

SOUND SYSTEMS: the offer from Telephone Rentals has become unconditional in all respects. Acceptances have been received in respect of 650,000 (100 per cent).

Yorkshire | Pacer results hit by US defence cuts By Clare Pearson

A SUDDEN cut in US defence spending slashed pre-tax profits of USM-quoted Pacer Systems, the US electronics defence contractor, from \$707,000 to \$132,000 (£76,744) in the six months to end-June. Turnover fell to \$15.15m from \$15.94m.

13 per cent to £81.7m (£72.2m) while total assets were £2.75bn (£2.18bu). Pre-tax return on At the end of April, the Defense Department deferred new contracts, and further work on existing ones, after it had discovered its speuding total assets was 1.74 per cent. Lending to commercial customers grew by £160m during the six months to stand at was some \$2.5bn shead of levels agreed with Congress last autumn, Pacer explained.

Unexpected losses of about \$450,000 incurred at Sea Data, £763m (£555m) and the bank's mortgage book stood at £140m at the end of June compared

the manufacturer of oceanographic measurement and data acquisition equipment which Pacer bought last year, also cut

the pre-tax figure.

Nevertheless, Mr Jack Rennie, chairman, said he believed firmly in Pacer's prospects for recovery in the second half. He said the US Defense Department continues to place the highest priority on anti-subma-rine, amphibious and mine warfare and wargaming, the software-based systems and consultancy.
An \$18.9m five-year contract

from the US navy for airborne anti-submarine warfare programs had brought Pacer's order book at June 30 to \$52m, double its level at the same point in 1987.

Meanwhile, a recent report by the US navy on Pacer's Bal-last software package, which enables a ship's crew to analyse the stability and trim of a

ship, had marked a "break through," Mr Rennie said. Although no firm orders had as yet emerged, Pacer bad received verbal indications that the US navy would outfit

with the system. Fully diluted earnings per share came out at 1 cent (7 cents). But the interim dividend is unchanged at 2.5 cents per share.

ten of its FFG-7 class frigates

O COMMENT

Considering the Defense Department precipitously put ou hold orders that Pacer had budgeted for these results looked creditable. But they still showed the extreme vulnerability of the company to the whims of the authorities notwithstanding that the importance attached by defence authorities world-wide to anti-submarine warfare means it is basically in a growth market. The products division too has been given a boost by the US navy's report on Ballast, Mr Rennie seys European defence authorities have been waiting on the US decision; but US orders alone could be four or five times as high next year as the ten frig-ates being talked about now. Pre-tax profits next year could be around \$2.25m; but this year they will not be much above \$1m, giving a prospective p/e over 14, which seems quite enough. The directors have a controlling interest, so though Pacer's order book must look attractive, there seems no pros-pect of a bid.

Waverley Cameron reveals plans for acquisitions as losses fall By David Waller

WAVERLEY CAMERON, the small loss-making Edinburgh stationery company subject to a bitter bid battle at the beginning of the year, yesterday gave some details of its acquisitions plans as it reported reduced losses for the 15

months to the end of March. Mr Jimmy Gulliver, the Scottish financier and former chairman of the Argyll supermar-kets group who took control of Waverley in February after fighting off a rival bid from Flavell Communications, said future acquisitions would be concentrated on four areas:

stationery; manufacture, mar-keting and distribution of high quality consumer goods; retailing; and a service and corpo-rate communications consultancy in Scotland.

including gift stationery. The deal, yet to be completed, takes the form of an agreed share bid valuing RMG at about £29m. Waverley's pre-tax losses fell from £210,000 to £176,000, on

To date, there has been only one acquisition, that of Ronald Martin Groome, with interests

lower turnover of £3.18m (£3.35m). Losses per share were static at 2.87p. To the Holders of

COLLATERALIZED MORTGAGE OBLIGATION TRUST THENTY-THREE

Class A Floating Rate Bonds Due May 1, 2017

Pursuant to the Indenture dated as of March 11, 1987 between Collateralized Mortgage Obligation Trust Twenty-Three and Texas Commerce Bank as Trustee, notice is hereby given that the interest rate applicable to the above Bonds for the interest period from August 1, 1988 through October 31, 1988 as determined in accordance with the applicable provisions of the Indenture, is 8.8375% per annum.

COLLATERALIZED MORTGAGE OBLIGATION TRUST LACKLA-LIMSE

To the Holders of

COLLATERALIZED MORTGAGE OBLIGATION TRUST EIGHTEEN

Class A-1 Floating Rate Bonds Due February 1, 2017

Pursuant to the Indenture dated as of November 26, 1986 between Collateralized Mortgage Obligation Trust Eighteen and Texas Commerce Bank as Trustee, notice is hereby given that the interest rate applicable to the above Bonds for the interest period from August 1, 1988 through October 31, 1988 as determined in accordance with the applicable provisions of the Indenture, is 8.9375% per annum.

COLLATERALIZED MORTGAGE OBLIGATION TRUST EIGHTEEN

GOTHENBURG & WEST OF SWEDEN

The Financial Times proposes to publish this survey on:

14th October 1988 For a full editorial synopsis and advertisement details, please

Chris Schannoine on 01-248 8000 ext 3699

or write to him at: Bracken House 10 Cannon Street

FINANCIAL TIMES

London

Republic New York Corporation

U.S. \$150,000,000

July, 1988 to 27th January, 1989 the Notes will carry an interest rate of 81%% per annum with an interest amount of U.S. \$450.42 per U.S. \$10,000 Note payable 27th January, 1989.

Bankers Trust Company, London Agent Bank

These Securities having been sold, this announcement appears as a matter of record only

New Issue



Can. \$100,000,000

101/2% Notes due July 7, 1993

Issue Price: 1011/4%

ScotiaMcLeod Inc.

Commerzbank Aktiengesellschaft

J.P. Morgan Securities Ltd.

RBC Dominion Securities Inc.

Credit Lyonnais

Banque Bruxelles Lambert S.A.

Morgan Stanley International

Cera-Spaarbank

County NatWest Limited **Credit Suisse First Boston Limited**

Deutsche Bank Capital Markets Limited

Generale Bank The Nikko Securities Co., (Europe) Ltd.

Manufacturers Hanover Limited Richardson Greenshields of Canada (UK) Limited

Shearson Lehman Hutton International

Union Bank of Switzerland (Securities) Limited

Société Générale

Yamaichi International (Europe) Limited

July 1988

Putable Capital Notes For the six month period 27th

UK COMPANY NEWS

No approaches to Amersham despite bid speculation

Amersham International, the radioactive materials group which has been beset by bid speculatinn eince the Government redeemed its golden share last Wednesday, has not received a takeover approach, writes David Waller.

Speaking to journalists yesterday after the company's annual meeting. Sir Edwin Nixon, chairman, said there had been no approach, despite a flurry of reports which had linked Amersham with everyone from Chuji in Japan to ICI in the UK.

He expressed his conviction that Amersham should remain independent. "We want to expand," he said, "and we believe we can do that with our existing resources of manpower and money."

He added that, in his opinion, Amersham was not particularly vulnerable. "Any predator would have to pay a very high price,"

Amersham's shares have snrged since the Government announced the decision to redeem the golden share, first issued when Amersham was privatised in 1982. They fell 23p yesterday to close at 654p, up from 445p prior to last week's announcement. The golden share gave the Government a right of veto over any takeover attempt; Amersham is still protected by provisions in its Articles of Association which prevent any shareholder from taking a holding of more than 15 per cent without the consent of the

Sir Edwin told the agm that good progress had been made during the first four months of the year.

Plessey buys Monsanto offshoot

Plessey, electronics group, yesterday announced that it had agreed in principle to buy part of Fisher Controls, a London-based subsidiary of Monsanto, writes Vanessa Houlder. In a deal thought to be worth about £4m, Plessey is buying Fisher Controls interests in measurement and control instrumentation for radiation measurement and control instrumentation for radiation measurement and control instrumentation. radiation measurement, environmental monitoring and control of hazardous plant. The acquisition will roughly double tha size of Plessey Controls, which already supplies environmental systems to the civil and defence markets and which will manage the business. The combined turnover of the two businesses will exceed £24m a year.

In a related deal, MBM Technology, a subsidiary of Morgan Crucible is oegotiating the purchase of the servo division of Fisher Controls, which specialises in torque motors for the defence market. Morgan Crucible said that the acquisition was in line with the company's strategy of moving into the higher technology end of the components and assemblies market.

Labour calls for referral of RHM bid

Mr Tony Blair MP, the Labour Party's city spokesman, has added his weight to the lobby which wants the £1.7bn takeover bid by Goodman Fielder Wattie, Australasian food group, for Ranks Hovis McDougall, referred to the Monopolies and Mergers Commission, writes Ivor Owen.

The case for making a reference on competition grounds, apart from other considerations, was underlined by MrBlair when he spent nearly an bour with Sir Gordon Borrie, Director General of Fair Trading, discussing the hostile bid made by the Sydney-based food group which has extensive interests in Australia and

Sir Gordon is expected to decide by the end of the month whether bid should be referred. In general, the OFT attempts to reach a decision by the first closing date of a contested bid. The

GFW offer document has yet to be published.

Mr Blair warned that if the takeover went ahead GFW would probably have to find more than £100m per annum to repay the filbn it plans to borrow to finance the bid.

He contended that this would not only result in a squeeze on investment but almost certainly lead to a substantial reduction in the present level of competition in bread prices, particularly in the supermarkets chains where RHM vies with Allied Bakeries in discounts on bulk orders.
Yesterday, RHM shares eased 6p to 460p, 5p below the Goodman

DIVIDENDS ANNOUNCED

Current payment	Date of payment	ponding dividend	tor year	last year
1,75	-	1.75	~☆	5
0.41		0.38	0.6	0.5
0.4	Sept 30	0.36	_	1.12
0.84	Sept 30	0.76	***	2.27
5.96	Oct 3	5.04	9.07	7.66
3	•	2	-	7
	1.75 0.47 0.4 0.84 5.96	1,75 0.41 - 0.4 Sept 30 0.84 Sept 30 5.96 Oct 3	payment payment dividend 1,75 - 1,75 0,41 - 0,38 0,4 Sept 30 0,36 0,84 Sept 30 0,76 5,96 Oct 3 5,04	payment payment dividend year 1,75

Corres - Total Total

Dividends shown pence per share net except where otherwise etated. Equivalent after allowing for scrip issue, fOn capital increased by rights and/or acquisition issues. §USM stock. §SUnquoted stock. •Third

BOARD MEETINGS

	10714	Sant O
The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on less year's timetables. TODAY interims- Elsem A/S, Olymwad Intl. Finals- CAP Group, Date Electric, Lawrie,	MITM Mining & Allied Suppl	Sopt 0 Aug. 4 Aug. 9 Aug. 9 Aug. 9 Aug. 4 Aug. 6 Aug. 9 Aug. 2 Aug. 4 Aug. 4
FUTURE DATES Interime ANDRO Tel	USDC Inv. Tal. Ventago Secs. WPP Oroup Finals Angio Arn. Ind. Corp. Genbel Inve.	Aug. 11 Aug. 4 Sept. 1 Aug. 30 Aug. 18
Artey Hidge	Jeckson (Wm.) Merrier Esrates Mhangurs Copper Mines Mordic Inv. Tet. Sec. Alliance Tet. Wininster Country Props. Wholosale Fittings	Aug. 9 Aug. 8 Aug. 30 Aug. 71 Sopt. 9 Aug. 4 Aug. 10

BANQUE PARIBAS CAPITAL MARKETS

AMSTERDAM-ROTTERDAM BANK N.V.

COMMERZBANK INTERNATIONAL S.A.

Japanese to get their teeth into Bonio

By Christopher Parkes, Consumer Industries Editor

ON THE heels of McDonald's popular breakthrough with hamburgers, and Unilever's introduction of Fish-Oh Fingers, the Japanese market' appetite for western foods is soon to be tested again...with Bonio dog biscuits, Kattomeat and Winalot Prime.

Spillers Foods, part of Dalgety, has signed a marketing agreement with Asahi Breweries to start shipments to Japan next year of some of its best-known products.

The object is to carve out a share in the fastest-growing prepared petfood market in the world. According to Spillers, only about 20 per cent of Japanese cats and dogs are fed packaged products. Cats, like their owners, traditionally

dine on fish, while many dogs make do with table scraps. However, sales of prepared catfood are growing at 15 per cent a year and dogfood is increasing by 30 per cent. Consumption of canned products for dogs is going up

by more than 40 per cent annually, despite high prices. A can of Winalot Prime, for example, will prohably sell at about £1 a can, compared with 35p in the UK.

Although bousehold pets are not especially popular in Japan – there are only 11m cats and dogs in a country of 120m humansagainst 14m in Britain, with a population of 57m - the market is already worth £500m at retail prices.

A local company, Nippon Pet Food accounts for about 23 per cent of that, with Mars, the world's biggest producer, trailing with 10 per cent.

The rest of the market is highly fragmented, with most suppliers depending on imports. There was nothing unusual in Japan importing dog hiscuits from halfway round the world, Spillers said.

With relatively little agricultural land, and few farm animals, Japan is understandably short of the offal which is one of the main edients of petfood.

Asahi bas undertaken to promote the products on television and distribute them through its established channels into the retail trade. But Spillers is under no illusions. Its first year sales target is a modest £1m. We know this will be a tough market to break into, so we are going to take it slowly but surely, just as the Japanese in our market," Mr Graham Robson, chief executive, said yesterday.

Wagon receives 82% acceptances Wagon Industrial Holdings has

received acceptances for 81.6 per cent of ordinary shares and 87.9 per cent of preference shares in Banro Industries. The all-paper offer for ordinary shares is unconditional and remains open. The 107p cash terms for preference shares, double the price at which they were trading before the bid was launched, is not yet unconditional.

Mr Edward Rose, Banro chairman, who was to have become life president of the enlarged group, has died after a short illness.

CREDIT LYONNAIS

This announcement appears as a matter of record only.

TOTAL Compagnie Française des Pétroles Paris, France

ECU 50,000,000

71/2% Bonds of 1988/1993

Issue Price: 101 1/2% - Interest: 7 1/4 % p.a., payable annually in arrears on August 3 - Final Maturity: August 3, 1993 - Denomination: ECU 5,000 and

ECU 10,000 · Security: Negative Pledge Undertaking · Listing: Luxernbourg Stock Exchange

COMMERZBANK

AKTIENCESELLSCHAFT

BANQUE BRUXELLES LAMBERT S.A.

CREDIT SUISSE FIRST BOSTON

Liberty plays welcome role at TR Nikki Tait on the mutual benefits of the US insurer's 15% stake

"LET'S BE honest, a year ago the press in effect put a For Sale' sign over Touche Rem-nant." So says Mr Paul Man-duca, vice-chairman of the City-based fund management group and Britain's largest investment trust house.

He is not exaggerating. Spec-ulation over the unquoted

group started to mount in the autumn of 1986, and in October TR confirmed that it was in talks with Metropolitan Life Insurance of New York, the world's third largest life com-

Discussions dragged on for several months, before price was finally blamed for the fail-ure to reach agreement. But by then ructions within the company's management were com-ing to light - leading to a boardroom reshuffle and subsequent acrimonious departure of Mr Peter Gray, former managing director. The wrangle over Mr Gray's options is still in the hands of lawyers a year

No sooner had the Peter Gray affair eased out of the headlines, than Mr Richard Thornton launched a bid for the £240m TR Pacific Basin fund, one of the largest of the 11 investment trusts then managed by TR. Hard on his heels aged by Tr. Hard on his needs were other predators/agitators at the TR Technology, TR Natural Resources, and (more discreetly) TR North America trusts. While corporate activity in the investment trust world has creetly been a novel for has scarcely been a novel feature over the past year, the implications at Touche dug

rather deeper. For the company, ahead of the purchase of a 15 per cent stake by US insurer, Liberty Mutual announced yesterday, was wholly-owned by the investment trusts it manages. This slightly unusual structure dates from the early-seventies when Touche Ross, the international accounting company, hived off its fund management operations to creats Tonche

If the trusts themselves came under successful preda-

SECURICOR GROUP and Security Services, its 51 per cent owned offshoot, yesterday

reported interim pre-tax profits

huoyed by a strong contribu-tion from their traditional par-

cel delivery and cash-handling

Contrary to some expecta-

tions, the results included no

profits from Cellnet, the mobile

telephones company in which

Securicor and its subsidiary

jointly hold a 40 per cent stake.

But Cellnet is on course to make its maiden contribution

in the second half, the com-

In the half year to the end of

By David Waller

Securicor boosted by

£928,000L

0.761p to 0.838p.

• COMMENT

June division of managed funds £113

Unit Trusts Offshore Unit Trusts Charities International Funds Pension Funds

tory threat, ran the argument, stakes in TR itself - assuming that the remaining trusts exer cised their pre-emptive entitle-ment and picked up the hold-ings - could hecome concentrated in fewer and fewer hands. A domino theory, pressurising management to abandon its goal of floating TR in the early 1990s, was widely mooted. So how does yesterday's deal

fit in? Management would like it to been seen as a sign that TR has both stabilised and is moving forward. On the one hand, Mr Manduca stresses tha need for long-term shareholders. On the other, he points to the question of international product distribution, the appeal of Liberty Mutual's network and the prospect of join-ing force with Stein Roe & Farnham, the Chicago-based investment management com-pany, on international prodpany, on international products. Liberty acquired 80 per cent of Stein Roe, a partnership going back to the 1930s, in 1986. The investment company now handles about \$13hn (£7.56bn) worth of funds.

Links between TR and Stein Roe already exist. Mr Robert McNeill, executive vice presi-dent of Stein Roe, previously served on TR's North American advisery board, and TR ects as adviser on the Stein Roe International Growth Fund, launched last October. Talks between the two compa-nies, according to the Ameri-cans, date back to the Metropolitan Lifs aftermath.

The plus for TR is Liberty's

£11.89m , while Services lifted

its pre-tax result by 36 per cent

to £10m. Earnings per share rose from 3.8p to 4.9p and from

As a whole, security, com-munications and parcels improved their profits from

56.13m to 58.83m in the UK,

while overseas profits from these areas climbed at a more

modest rate, from £852,000 to

raised from 0.363p to 0.4p and

for Security Services from

The dividend for Securicor is

4.6p to 6.3p respectively.

public support for its indepen-

dence and prospective flotation in the early 1990s. That should provide a welcome hoost to morale - not least, because 10 per cent of the company's equity is under options held by

employees.

And there is a general feeling in the City that much heat has now turned down at TR's London headquarters—in the words of one analyst: "it gets the monkey off their back."

That, perhaps, has a certain amount to do with the market, the extremely fancy prices put on two management groups a

on fund management groups a year ago were a feature of the bull climate, and TR's valuation in the books of the investment trusts no longer looks quite so ont of line. Last March, the shares were valued around 159p, suggesting an overall price-tag of £32m for the group. Liberty is believed to have paid a premium to that and, although no one is disclo-

and, although no one is disclo-sing the actual figure, it seems that the pro rata figure put on TR overall is close to £35m. Evsn so, this prohably reflects a good deal for Liberty. Today. TR handles about £3.5m, and although the more highly rated unit trust element accounts for only £230m, the accounts for only £230m, the price is a fairly lowly 1 per cent of total funds under management. Moreover, TR. has a handy cash balance - having raised £10m to meet regulatory requirements last year, to which it has added slighly

since then. On a profit basis, the deal looks slightly less attractive; TR made about £3.5m before tax last year, so the multiple is equivalent to about 15 times historic profits and the prospects for fund manager companies (at least temporar-fly) are less than rosy. That said, profits at TR are only just being to reflect a commercial regime; for many years, the company operated as a non profit-making service to the

Moreover, the Liberty deal absorbs much of the TR Technology trust's 17.5 per cent. holding in TR. The new techon-

Vodafone has spilled over into

the Sscuricor companies'

shares; since Racal made its

appouncement in April, shares

in both Securicor and Security.

Services have ontperformed

the market by more than 50%. If 20 per cent of Racal's Voda-

fone subsidiary is worth £400m.

the reasoning goes, then the Securicor companies 40 per cent stake in Cellnet is worth

£800m. Such calculations are perhaps simplistic, given that

Cellnet's half share of the

mobile phone market is not so profitable as that of its rival,

hut at the very least, next year's pre-tax profits could be

traditional business

Lord Remnant: chabran of Touche Remnant

ology investment trust is less than half the size of the old vehicle and about two-thirds of Liberty's stake will come from this source. Seven other trusts are chipping in to make up the remainder - although holdings could be replenished when the reorganisation of TR North America takes effect. Details of this restructuring, already outlined, are expected fairly shortly

If Liberty's interest gives a measure of stability to the shareholding structure, threats to the trusts themselves also seem to be diminishing — partly because the prime targets, the specialist funds, have already been attacked. Pacific Basin, Technology, Natural Resources, and North America all know their fates - and the only obvious unresolved situation is TR Australia, where Royal Insurance now holds more than 17 per cent of the

It should, perhaps, be added that TR's solution - the introduction of a supportive over-seas shareholder — is scarcely novel. Ivory and Sime, for example, trod a similar route with Sumitomo Life, and no doubt, in these somswhat unhappy times for fund management groups, others may follow. But the deal will be no less welcome for that.

much as £36m. Yesterday's fig-ures cast no light on this

potentially fabulous future -

but they do show that the tra-

ditional parcels, cash-bandling

and security businesses are

anything but mature. Indeed, security is set to thrive on the

back of the boom in crime, and

the investment is now being made to position the parcels

business in Europe in time for

1992. Assuming current year

profits of £271/2m and £23m for Securicor and Security Ser-

vices, the shares are on

deservedly high multiples of 32% and 24% respectively. Given its more direct exposure

A hreakdown of profits

showed that the contribution

from angineering products increased from £1.4m to £2.2m:

engineering services increased

from £345,000 to £476,000; min-

erals and materials increased

Gearing rose from 17.9 per cent to 26.5 per cent, resulting from overdrafts acquired with Lewman group. Mr Walliker

from £767,000 to £1.6m.

Racal and Millicom battle near to climax

By Hugo Dixon THE INTELLECTUAL battle between Racel Electronics and Millicom, the US telecommuni-cations company, over the future of Racal's telecommunifuture of Racal's telecommuni-cations subsidiary appears to be swinging Millicom's way. This is the conclusion of a straw poll of some of Racal's largest shareholders, con-ducted yesterday. However, Racal still some likely own shareholder sup-port of an extraordinary meet.

port at an extraordinary meeting on August 16 for its plan to float off 20 per cent of its telecommunications subsidiary, which includes Vodatons, in a share issue which could

raise £400m.

There is an inclination among UK institutional share-holders to back the management unless very powerful counter-arguments can be pro-duced. A concession last month by the Racal board, allowing shareholders first rights to 75 per cent of the new shares, also seems to have won round some institutions.

All shareholders spaken to institutions and shareholders spaken to the shareholders.

stressed that they had not finally made up their minds either way, suggesting that the campaigning over the next two weeks will be crucial in determining the outcome of the battle.

Millicom is proposing a total demerger of Racal and Voda-fone. It has argued that the

MAIN INSTITUTIONAL HOLDINGS (%) Guardian Royal Exchange Mercury Asset Man'mo

Prodential Cable & Wireless BZW inv. Managem Sun Alliance **Postel** Hembros County NatWest

200

B. H. Br. V.

3.035270.0

full value of Vodafone will not be reflected in the Racal share price under the management's Scheme for a partial flotation.

Mr. Mike Wolfgang of BZW
Investment Management said:

"The Millicom proposals do seem to increase shareholder value" but that his normal preference was to support the management. The combination of these factors meant that it was 'very much 50-50' which

way he would vote. One institutional shareholder said Sir Ernest Harrison, Racal's chairman, had been, very emotive in answering Millicom's argu-ments and he was therefore leaning towards supporting Millicom. "We are trying to assess here bow to maximise

shareholder value". Another said: "In terms of logic. Millicom's argument is irretutable." He also com-plained that shareholders would be voting blind on the issue, because the management had falled to give details of the commissions and discounts that would have to be paid for marketing the US

tranche of the share issue. Yet another said he liked the "old-fashioned idea of faithfulness" to an existing management but that a demerger probably made the best financial sense.

Murray Intl.

Net asset value per 25p ordinary and "B" ordinary share of Murray International Trust amounted to 226.2p at June 30, a downturn of 32p on the figure 12 months earlier. Net revenue for the six months to end-June was

£3.15m (£2.79m) after tax of £1.34m (£1.27m). Earnings rose £1.34m (£1.27m), karnings rose to 2.65p (2.35p) or to 2.61p (2.31p) assuming full conver-sion of "B" shares. Interim is again 1.75p, but a forecast final of 5.25p makes 7p (5p).

March, Securicor's pre-tax prof-its increased by 30 per cent to Racal's decision to float off boosted by as much as £14m, to Cellnet, Serv and those for 1990-91, hy as seem better value. to Cellnet, Services would Benjamin Priest doubles to £5.3m

group, yesterday announced that it had more than doubled pre-tax profits to £5.3m for the year to April 1 against £2.5m previously. Turnover rose 51 per cent from £47.3m to £71.4m.

Mr Christopher Walliker, chairman, said the results marked the transformation of

BENJAMIN PRIEST, the the company from a traditional restructured engineering Black Country metal basher into a group with a wider industrial and geographical spread. They also reflected the strength of the group's recovery since the losses and capital reconstruction of 1984, he said. The results included a "dis-

appointing" six month contri-hution of £1.1m from the Lewmar group, a yachting equipment manufacturer and distributor acquired last August This decline from the £1.2m posted for the same period last year was due to losses from the electronics products and North-American rod rigging operations, after overstocking and a delay in new product launches. Following a reorganisation, these divisions were now operating

profitably, said Mr Walliker.

Share price relative to the FT-A Ali-Share Index 120 80

Benjamin Priest

Lewmar's basic winch activ-

1984

1986

ity was in line with expectations and was the cause of considerable optimism about the business, he said

said the company was contem-plating both add-on acquisi-tions and one that would create a fifth major segment. Earnings per share increased from 2.15p to 2.48p. A final dividend of 0.4p has been recommended, making a total for the year of 0.6p (0.5p). The company has now converted its remaining 8 per cent

remaining 8 per cent convertible preference shares into ordinary shares.

This notice is issued in complience with the requirements of the Council of The International Stock Exchange of the United Kingdom and Republic of Ireland Limited, it does not constitute an Invitation to any person to subscribe for or purchase any shares.

WILLIAM SINDALL plc (Registered in England No. 521970)

Rights Issue of 5,000,000 5.625 per cent. Convertible Cumulative Redeemable Preference Sha £1 each at per

Application has been made to the Council of The Stock Exchange for the Convertible Cumulative Redeemable Preference Shares of £1 each to be admitted to the Official List.

Copies of the listing particulars containing details of the shares copies of the Isting particulars containing details of the shares are available in the Extal Statistical Services and copies may be obtained during normal business hours up to and including 5th August, 1988 from the Company Announcements Office, The International Stock Exchange, 48-50 Finsbury Square, London EC2A 1DD and during normal business hours on any weekday (Saturdays excluded) up to end including 17th August, 1988 from:

William Sindali pic, Babraham Road, Sawston, Cambridge CB2 4LJ Lloyde Merchent Bank Limited, 40-66 Queen Victoria Street, London EC4P 4EL

	21	ONSOKED	SE	CUF			•
Righ	Low	Company	Price .	Change	Gross div (p)	Yield-	P/1
232		Ass. Brit, Ind. Ordinary					
232	186	Ass. Brit. Ind. CULS	232	0	8.7	3.8	8.
40	25	Armitage and Rhodes	232	0	10.0	4.3	
57		BBB Design group (USM)	36				
167		Cooks Comp (USer)	39	0 .	. 21	5.3	6.
115	100	Bardon Group Cone, Pref. st.	167	+2	33	2.0	23.
148	727	Barry Tachanianian	115	0	6.7	5.8	
114	107	. Bruy Technologies	137	0	5.2	3.8	10.2
	100	Brembill Conv. Pref	114	0	11.0	9.6	
252	210	CCL Group Ordinary	282	0	12.3	4.4	4.3
. 155	124	CCL Group 11% Com Pref	155mg	. 0.	34.7	9.5	
351	129	Carbo Pic (SE)	145	0	6.1	42.	9.7
112		- Carbo 7.5% Pref (SE)	10 9	. 0	10.3	9.4	-
267		· George Blair	287	0	3.7		. 8.5
94	50	. Isks Group	94	٥		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
178	87	Jackson Group (SE)	112ml	Õ	3.4	3.0	12/
340		MUITINGER MV (AmetSE)	320	Ď			
107	40	Robert Jenkies	205md	ŏ	7.5		24
425	124	Scruttone	426		8.0	1.9	38.0
232	174	Torday & Carikle	232vd	ŏ	77		
96	- 26	Lisares Holdings (DSM)	84	-43	2.7	33	9.
113	100	Unistrat Europe Com Prof	112	-1	8.0	71	7.4
293	203	W.S Yestes	291 .	. 0	16.2	5 4 :	7.5
Sec	arities	designated (SE) and (USM) are deal	t in subject	In the rates		Intlows of	The

ties are dealt, in strictly on a no

S Lovet Lone, Leaden EC3R HBT Telephone O(-62) 1212 De Q1-621 1212 Member of TSA

Fysite Horton Firmey & Co., Charles House Kleinwort Grieveson Securities Limited, 20 Fenchurch Street, London EC3P 3DP Charles House, 148-149 Great Charles Street, Birmingham B3 3HT THE NIKKO SECURITIES CO., (FUROPE) LTD. YAMAICHI INTERNATIONAL (EUROPE) 3rd August, 1988

BAYERISCHE VEREINSBANK

DRESDNER BANK

EUROPEAN OPTIONS EXCHANGE

9921529 - 1277200023845

Jan. 89

107 3.60

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2<u>23</u> 56

TOTAL VOLUME IN CONTRACTS: 27,850

3.10 8 0 7.30

5.80 3.90 5.10 2.50 3.70

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6.50 3

FI, 225 FI, 230 FI, 245 FI, 245 FI, 250 FI, 225 FI, 230 FI, 245 FI, 245 FI, 276 FI, 206 FI, 206 FI, 216 FI, 216 FI, 216 FI, 215 FI, 225

61.45 61.80 61.85 61.140 61.155 61.140 61.155 61.155 61.150 61.15

Vol Last Vol Last
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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

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le neat Dollar better after weak start DM1.88. It was still below this

level at the close in London, finishing at DML8755 from DM1.8765. It was slightly

firmer against the yen at Y132.90 from Y132.75. Else-where it finished at SFr1.5620

from SFr1.5615 and FFr6.3250

from FFr6.3275. On Bank of

England figures, the dollar's

exchange rate index was quoted at 98.6 from 98.7.

of expansion in the economy. But some analysts have

pointed out that the June job aurvey was conducted very late in the month, and may have picked up a number of summer holiday jobs that would nor-

THE DOLLAR recovered from a weaker start in currency markets yesterday, after fur-ther evidence of strong growth in the US economy. There was concern that the US Federal Reserve may soon act to push interest rates higher in order to stop the economy overheat-

the second secon Yesterday's data included a the children of a p.c. increase in June factory orders. There was also a sharp increase in new home sales in more of a 4 p.c. compared with expectations of a 0.5 p.c. rise. However the dollar retreated

Acres Sill to Control of the Control However the dollar retreated from its best level after a revision to May's leading indicators, which showed a 0.8 p.c. fall compared with a 0.1 p.c. decline as reported previously. Overall, yesterday's data added to the dollar's bullish undertons but this was not fully to the state which a tone, but this was not fully reflected in its performance against major trading partners, argely due to a lack of trading

included in the control of the contr The onset of the holiday sea-son continued to play a signifi-cant part in trading philosophy. with many major institutions content to remain

institutions content to remain on the sidelines, at least for the time being.

The dollar opened on a weaker note, having been sold off in late New York and Far East trading, after its failure to break through resistance at

£ IN NEW YORK

Aug 2	Latest ·	Previous Close
£ Spot 1 month 3 months	1.7150-1.7155 0.37-0.36pm 1.05-1.02mm 3.35-3.25pm	1,7185-1,7195 0,36-0,34pm 1,04-1,02pm 3,40-3,30pm
Forward preside	res and discounts ap	ply to the US dollar
STERLI	NG INDE	K

pm pm

Majoring)		CURRENCY RATES				
Valuation Res	Augue	Bank rate %	Special ^k Drawing Rights	Currency Currency Clark		
A COLOR OF C	U.S. Doltar Canadian S. Austrian Sch. Belgter Franc Danistr Krone Denische Mack, Meth. Guilder French Franc Frankan Lira Japanese Yen	773	0.650072 1.11487 1.34454 14.6363 43.6501 7.91783 2.08481 2.35429 7.03262 1537.41 148.022 7.55326	0,758848 1,29763 N/A 17,1196 51,0296 9,25470 2,436,17 2,436,17 2,79098 8,20556 1,797,96 1,72,974		
10 (10 miles)	Spanish Peseta . Swedish Kroea .	812 212	137-918 7-16083 1-73697 166-841	N/A 8.34311 N/A 195.021		

Swiss Franc 22 1.73697 N/A Greek Drach 2012 166.841 195.021 Irish Punt N/A

CURRENCY	MOVE	MENTS
Aug 2	Bank of - England Intex	Morgan** Couranty Changes %
Sterling U.S. Bofter Canadias Dollar Austrian Schilling Reighan Franc Darish Krone Dertsche Allark Seits Franc Gafder French Franc Lira Ven	76.6 98.6 85.4 193.4 193.4 193.1 131.6 131.6 68.9 48.9 241.0	-16.6 -29.5 -1.9 +9.6 -4.4 +10.5 +20.1 +20.4 +12.7 -14.9 -20.8 +78.4

WY-TAM	usicz sur z	oumar-	
OTHER	CHE	DENC	IFC .

1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	OTHER CURRENCIES							
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Ang.2	£	\$					
4. 19 mg 4.	tiony Kong tean Kores(Sth) Koresk Leorenboory Malaysia	7.5790-7.6010 254.15-258.55 13.3860-13.4025 121.50* 1238.55-1248.50 0.48430-0.48480 66.90-67.80 4.5195-4.5310	HIA 12440 - 12450 242-50 - 243.70 4.4220 - 4.4250 148.15 - 150.60 7.8650 - 7.8070 70.50 720.50 - 726.30 0.28240 - 0.28250 39.10 - 59.20 2.6355 - 2.6375					
First First	Mexico N. Zealand Sauti Ar.	5.5080 - 3.5135	2284.90 - 2292.00 1.5085 - 1.5100 3.7500 - 3.7510 2.0450 - 2.0470 2.4545 - 2.4545 3.6345 - 3.7035 28.56 - 28.70					

"Selling rate **MONEY MARKETS**

UK rates steady

INTEREST RATES remained steady in very quiet trading on the London money market yesterday.

Sterling was little changed against the dollar and D-Mark, and there were no other factors to influence trading.
Three-month interbank was unchanged throughout the day

at 10%-10% p.c. The Bank of England initially forecast a money market hortage of £250m, but revised this to £150m at noon, and to

2200m in the afternoon. The authorities did not operate in the market during the UK steering hunk bene lunding trait

morning, but in the afternoon bought £130m bills, by way of £4m bank bills in band 3 at 10% p.c. and £126m bank bills

in band 4 at 10% p.c. Late assistance of £10m was also provided, bringing the total help on the day to £140m. Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained 232m, with Exchequer transactions absorbing £245m, and bank balances below target £50m. These outweighed a fall in the note circulation adding £90m to

liquidity. A programme of UK Ecu Treesury bill tenders will begin in the Autumn. This is expected to consist of one-month;

three-month and six-month bills, and is likely to involve the issue of about 500m Ecus per month.

In New York the Federal Reserve added temporary reserves to the banking system through \$1bn of customer repurchase agreements, when deral funds were trading at 75 p.c. against an average of 7.91 p.c. on Monday.

In Frankfurt call money was steady at 4.95-5.05 p.c., in spite of a rise in the Bundesbank's securities repurchase rate to a fixed 4.25 p.c. from 4 p.c.

The move was widely expected, and dealers are more interested in the allocation of funds at this week's 29-day tender. It is estimated that around DM25bn will be required to replace the DM20bn leaving the market, through an expiring agreement, and to offset inter-vention by the Bundesbank to defend the D-Mark on the foreign exchanges.

A smaller allocation is likely to be taken as a sign that the central bank is continuing to tighten its monetary stance. In Brussels the Belgian National Bank raised the interest rate on four-month paper, issued by the Securities Regulation Fund, by 0.10 p.c. to 7.35 p.c. One-month, two-month and three-month Treasury certifi-cate rates were left at 6.75 p.c.; 6.90 p.c.; and 7.10 p.c. respec-

FINANCIAL FUTURES

US Treasury bonds firm

ATTENTION WAS focused on dollar denominated instru-ments on the financial futures market yesterday. US dubt futures met demand on publication of strong economic data. The market was impressed with the strength of factory orders, which rose 5.5 p.c. in

effect, but served to underline the extent of the authorities' encouraged the trend, and par-ticularly the downward revicommitment to control the rise LEFFE LONG CILT FUTURES OPTIONS

investors may be waiting for the release of US unemploythe release of US unemploy-ment figures for July - due on Eriday - before increasing their dollar portfolios. However some forecasters have cau-tioned that job data for July could be misleading. Most trad-ers expect a further decline in the rate of unemployment to prompt a rise in US interest rates, in order to hold the rate of expansion in the economy. Its exchange rate index fin-ished unchanged from the opening at 76.6, compared with 76.7 on Monday. Against the dollar it closed at \$1.7100 from \$1.7135. It was also slightly down against the D-Mark at DM3.2075 from DM3.2150 and Y227.25 compared with Y227.50. Elsewhere it finished at SFr2.6700 from SFr2.6750 and FFr10.8150 against FFr10.8425.

in sterling.

mally show in the July figure.

Consequently the July unem-ployment rate may not show the expected decline from

June's 5.3 p.c., they argued.
Sterling was left on the side-lines for much of the day. A

rise of \$910m in UK official

reserves in June had little

The D-Mark recovered from Monday's record low against the yen of Y70.76, opening at Y71.08, but finishing below its best at Y70.86.

	MS EURO	PEAN CU		UNIT	RATES	
	Economic Contract Con		% change from central rate	adless	page Di	nygesset mit %
gian Francisto Krone man D-M: nch Franc ch Guilder n Puet	7.85 2.05 6.90	212 7.91783 653 2.08481 403 7.03262 943 2.35434 411 0.774971	+0.84 +1.28 +1.76 +1.51 +0.85	144444	#7 ± ± ± ± ± ± ± ± ± ± ± ± ± ± ± ± ± ± ±	1.5344 1.5404 1.0981 1.3674 1.5012 1.6684 4.0752
aleen, c	alculated by Floranch	ithe clarge denotes d Times.		ST T	HE POL	IND
Aug.2	Day's spread	Close	One strengt:	*	Three mooths	% 22
eda kerlands .	1.7070 - 1.7268 2.0575 - 2.0630 3.614 - 3.624 66.95 - 67.20	1.7095 - 1.7105 2.0620 - 2.0630 - 3.614 - 3.624 66.90 - 67.00	0.37-0.34cpm 0.26-0.17cpm 13-17cpm 29-15cpm	249 125 135 139 139	1.04-0.99pm 0.65-0.53pm 51 ₈₋₄₁ 7pm 68-52pm	271

				-	- MONUTO	p.a.
ŲS	1.7070 - 1.7268	1.7095 - 1.7105	0.37-0.34cpm	2.49	L04-0.99pm	237
Carrada	2.0575-2.0830.	2,0620 - 2,0630	0.26-0.17cpm	125	0.65-0.53pm	1.14
Hetherboth .		3.614 -3.624	14-12com	5.59	51 ₂ -41 ₂ pm	114 531 358 241
Beighon		66.90 - 67.00	29-15cpm	259	68-52pm	3.58
	12.135 -12.20	12177-12183	39-14orepm	2.59	84-65 pm	241
keland	. 11860-11960	11925-11995	0.34-0.29mm	3.17	1.03 0.84pm	3.13
W. Germany	3.20-3.214	3.205-3.21	16-14pppm	3.17 5.61 -3.66	4%-44pm	5.46
Portugui	250.75 - 260.60	258.75-259.75	43-90offs	-3.06	121-18044	-232
Spare	210.40-211.60	210.40 - 210.70	13pm-6lireds	200 200 200 200 200 200 200 200 200 200	. 29-7pm	0.34
Italy		236472 - 236572	2pm-Litreffs	0.25	1pm-26b	-0.06
Norway	11.584 -11.64	21.612-11.625	2-2% oredis	-2.52	6-7 ledis	3.24
France	10.78 - 10.83%	10.81 - 10.82	33-25 com	3.40	93-84pm	3.24
Ş -1-1-1	10.984 - 11.024	11.00 - 11.01	2 page - poredis	0.07 6.60	13-1300	0.45
Japan	2264 · 228_	2264 - 2274	1 - Lypen	6.60	34-34pm	4.77
Anstria	22,40 - 22,57	22.40 22.43	10-Bgropes	5.09	29-24 204	4.77
Seitzerland .		2662 - 2675	1%-15com	7.30	4%-4%pm	6.74
Belgian stile is 3.32-3.22cm	convertible fraces. F	handal franc 67.85-0	57.95 . Shz-month f	orWand do	Har 1.92-1.87cpm	12 months
- According						
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DOLL	AR SPOT-	FORWAR	D AGAIN	IST T	THE DOL	LAR	
. Aug.2	Day's Spread	Close	(for mostle	¥.	Three months	% 21	
DK1	1,7070-1,7260	1,2095 - 1,7105	0.37-0.34cpm	2,49	1,04-0,99pm	2.37	
freiselt	14340-14475	1,4366 - 1,4365	0.11-0.16cds	-L12	0.33-0.43ds	-1.06	
	1.2050-1.2090	1.2065 - 1.2075	. 0:11-0:14cdk	-2.24	0.36-0.39dls	1.24	
Metherlands	2.0975-21190	2.1175-2.1185	0.56-0.54cms	强	2.58-1.55cm	2.97	
Belglatt	38.90 - 39.25	39.20 - 39.20	5-4com	1.38	13-Thora	-0.06	
Denmark	7.05-7.12%	7.12-7.12%	0.30d-0.20orpm	-0.06	0.35d-0.15om	-0.06	
W. Germany	1.8565-1.8770	1.8750 - 1.8760	0.52-0.49omm	3.25	L49-L44om	3.14	
Portugal	1514 - 1526	1524 - 1525	60-80cds	5.54	165-215dis	-5.02	
Seate	122 25 123 30	123.20 - 123.30	20-30cds	-2.44	60-70dls	-2.12	
Spale	1371 - 13834	13824 - 13834	2.10-2.00liredis	213	8,10-8,80ds	-245	
Norway	6.75 - 6.779	6.794 - 6.794	2.75-2.90oredis	-5.00	7.75-7.950s	4.64	
France	6.264 - 6.324	6.324 - 6.324	0.51-0.41cpm	0.88	1.45-1.25am	0.86	
Section	4385-6431	6.434 6.434	1.25-1.35ores	243	3.30-3.50ds	-2.12	
	132.10-133.00	132.65 - 132.95	0.47-0.44ypm	412	1.26-1.21	3.73	
Apple in	13.045 - 13.18		3.00-2 10troom	2.33	9.00-6.7000	240	
Setter land	15470-15536	15015 13625	0.67-0.63cpsi	. 500	1.73-1.68	156	

Mand Europecy, Scipton rate is for connectible france, Financial franc 39,65-39,75.										
- 10 m	URO-CU	RRENC	Y INTI	IREST.	RATES					
Aug 2	Short term	7 Days motion	One	Three Months	Six -	Ches.				
ling Collar Dollar Blider Franc Schmark Franc Franc Schmark Franc Franc Schmark Franc Fran Franc Fran Fran Fran Fran Fran Fran Fran Fran	10-94 77-77 84-80 54-78 54-78 54-78 6-51 6-51	野ではない。 会社はない。 会社はない。 では、 ではない。 ではない。 ではない。 ではない。 ではない。 ではない。 ではない。 ではない。 ではな。 では、 では、 では、 では、 では、 では、 では、 では、	101-101 81-8 93-81 51-5 34-34 71-71 103-97 63-64 601-64	107-103 83-83 95-91 53-55 57-35 57-35 11-105 77-75	11-103 85-85 101-98 55-55 57-57 113-11 75-75 61-48	114-10# 87-84 104-104 54-54 54-74 54-74 114-74 74-74				

Long to	erm Enrodo	Hers: two necessal.	years 94 Short term	9 per cent; rates are		Dollars a	per cent, f nd Japane	our years ? se Yen; oth	12-9% pe ers, two di	r cent
		<u> </u>	CHA)85 I	RATE	\$		
Aug 2	2	\$	DM	Yes	F Fr.	\$ Fr.	H FL	Lira	C\$	RF
\$	0.985	1.720 1	3,208 1,876	227.3 132.9	10.82	2 <i>6</i> 70	3.623 2.119	2365 1363	2.063 1.206	66. 39.
DM YEN	0.312 4.379	9 경찰	l l l	70.85 1000.	3.373 47.60	0.832 11.75	1129 15.94	737.2 10405	0.643 9.076	20.1 294
F Fr. S Fr.	0.924 0.375	1.580	2.965 1.201	210.1	10.	2468	3.348 1.367	2186 885.8	1.907 0.773	쇒
H FE.	0.276	0.472 0.723	0.885 1.356	62.74 96.11	2.986 4.575	0.737 1.129	1532	652.8 1000.	0.569 0.872	18. 28.
C S a Fr.	0.485 1.494	0.529 2.504	1.555	110.2 339.5	5.245 16.16	1.294	1.75% 5.612	114	3.061	32 100

of 0.8 p.c. from the previously announced decline of 0.1 p.c. This reduced fears of overheating in the economy. The June rise of 1.4 p.c. was in line with

June.
US leading indicators

Calls: Sep. 456 456 257 115 H753888851

E 5/3	OFTIMES seeks per f	20		LIFFE EUROPELLAR OPTIBOL Sim points at 180%				
性に与めばか方的が	Calls-set Aug 1630 1130 630 218 33 2	Sep 1630 1130 673 345 143 47	Pats-se Aug 0 0 8 102 417 886 1384	Stements See 4 25 97 259 567 971 1436	Strike Price 9075 9100 9125 9150 9175 9200 9225	Calls-set Sep 80 57 25 18 7 3	Dec 66 49 25 23 16 9 5	
eted ops d	volume to	tai, Calis (ot. Calis 9	Pets 0 03 Pets 3	55	Estimated Previous di	volume tot vy's open k	ai, Calls 2 at, Calls 1	00 381

PHELADELPHIJA SE £/5 OPTIONS £12,500 (cods per £1) Smith 1450 1750 1750 1800 0t 135 212 305 438 5.96 7.77 9.56 AUG 6.41 4.09 2.12 0.86 0.05 0.05 Sep. 332 131 131 0.73 0.36 0ct 7.12 5.36 3.87 2.69 1.90 1.23 0.75 7.87 6.28 4.89 2.83 2.83 2.54 Aug 0.05 0.18 0.72 1.92 3.86 6.11 8.53 Sep 0.82 1.45 2.28 3.57 5.21 7.11 9.22

	AN CLIFF		04 Pots	5,589
28-YEAR 258,800 3	9% NETHENAN Znds of 180%	COLT		
Sep Dec	Close 94-28 95-05	High 95-00 95-03	94-18 95-02	Prev. 94-24 95-00
Estimated	Volume 8234	(2080)		

	/ohute 8234 /s open lat. 4		7230	
Sep . Dec	9% tehrina hads of 100% Close 94-23	High	Low	Pres. 94-21

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		Tax.	
103,34 101,72	103.42 101.47	103.16 101.47	10
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THREE 100	OTH STERLE			-
Sep Dec Mar Jan	Close 39.87 89.19 89.41 89.54	High 89.13 89.23 89.46 89,54	89.05 89.17 89.40 89.46	

FT-8E 19 525 per 6	o mosex			
Sep Dec Mar	Close 184,90 186,50	185.80	184.50	Prev. 186.10 187.75
Estimated Prestors d	Volume 206 (m's open int.	1483) 9511 (98	75)	
THREE N	MITH EURODI s of 186%	LLAR		

	Sep Dec May Jam	91.54 91.23 91.21 91.06	91.57 91.25 91.23 91.05	91.51 91.19 91.16 91.03	91	
	Est, Vol. (Inc. figs. act shown) 4896 (2686) Previous day's open tol. 371.77 (37524)					
1	US TREASU	LA Served A.	%		_	

Sep Dec	87-07 86-16	87-11	86-1
Mar			
Estimated 1	Volume 8464	(2791) 2027 (20)	. ·
	NCY FU		

	LEFE-STEE	LDIG £75,0	90 \$ per £		
	Sep Dec Mar	L7076 1.6983 1.6920	L7118	1.7118	1
	Estimated Vi Previous day	okrae 30 00 's open int) 175 (275)		
	POUND-S (F	OREIGN EX	CHANCE		Γ
1	Street	7-min	2.mth	4-4	12

Previous day				
Spot 1.7100 .		3-mth. 1,6996	6-mth. 1.6911	12-mt
HIM STERL	MG St per (Ţ
Sep Dec Mar	1,7100 1,7000 1,6630	17142 17150 17050 16980	1.7074 1.6980 1.6910	1/11

83-85

G1.00 a.m. Aug.2) 3 months US dollars . 6 months US Dollars

FT LONDON INTERBANK FIXING

e-statementh, of the big and offered rates for \$10s

MONEY RATES HEW YORK Quinchtime 4.95-5.05 612-73-13-14 5-51-3.71875 10-104-3.70 77-74-5.25-5.45 75-74 505-514 71-71 5.00

LONDON MONEY RATES

Avg.2	Overnight	7 days notice	Montk	Three Months	Six Months	Ose Year
interbank Offie interbank Bid Sterling Chs. Local Authority Dept. Local Authority Bonds. Miscount Milk Begs. Lompany Pendalis. Channes House Deposits. Transpar Bills (Bug) Bank Bills (Bug) Pine Trade Bills (Bug) Dollar GDs. DR Linked Dep Differ LOR Linked Dep Bid LOU Linked Dep Bid LOU Linked Dep Bid		10 9 H 9 T 9 T 9 T 1	1911 1911 1911 1911 1911 1911 1911 191	7.4 7.4 7.4 7.4	11 10 2 11 2 10 2 11 2 10 2 11 2 10 2 11	11 11 11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
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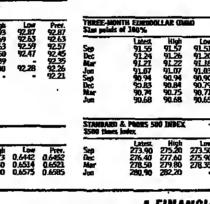
expectations.

Treasury bond futures were on an unward path, before the figures were announced. The

was slightly above most mar-ket forecasts, but was gener-ally ignored. September contract broke through technical resistance at 86-24 in Chicago on Monday, LIFFE FT-SE INDEX FUTURES OPTIONS Sep 714 516 322 141 36 10 3 DEGG 537 27 23 13 14 35

14 28 49 72

Dec 2.68 3.57 4.70 6.01 7.54 9.24 11.09 CHICAGO U.S. THEASURY BONDS (CBT) 8% \$200,000 37mb of 200% JAPANESE YEN DAM Y22.5m \$ per Y200 0.7578 0.7651



and after touching a threeweek high, moved through another resistance level at around 86-90 yesterday.

Estimated volume total, Calls 0 Pots 0 Previous day's open int. Calls 16 Pots 122

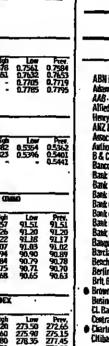
Estimated volume total, Calls 620 Puts 1045 Previous day's open Int. Calls 13611 Puts 12329

0ct 7.60 4.40 2.30 1.10 0.65 Dec 2 40 5.40 3.35 2.00 1.20 1.10 1.30

0.7561 0.7632 0.7705 0.7785 Latest High Low Pres. 0.5366 0.5362 0.5364 0.5362 0.5364 0.5401 0.5401 0.5401

92.93 92.87 92.69 92.87 92.63 92.53 92.50 92.47 92.39 92.28

FT BUSINESS INFORMATION LIMITED. RES OFFICE 10 CANNON STREET, LONDON EC4P 4BY, RES NO 980836



On Liffe in London September bonds touched a peak of 87-11, before closing at 87-07. An underlying rise of \$910m in Britain's reserves in July

Calls | Aug | 1492 | 1009 | 580 | 265 | 91 | 22 | 4 Sep 1522 1083 707 418 221 104 43 Prils-1 Aug 19 90 275 601 1032 1514

ABN C
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WESSAMEN C

Puls-set Sep 1.05 2.55 5.40 9.40 14.00 11.70 11.40 0ct 1.65 3.50 6.30 10.05 14.45 Aug 6.90 2.50 0.65 0.40 0.30 0.30

86-21 85-30 85-09 84-21 84-02 83-16 83-00 81-21 81-06

Adam & Company

AAB · Allied Arab &k

Allied Irish Bank Associates Cap Corp

Authority Bank

B & C Merchant Bank

Banco de Bilbao Bank Leuzzi (UK) Bank of India
Bank of Scotland
Bank of Scotland
Bank of Scotland Brit 8k of Mid East.... Brown Shipley

Business Mtge Tst

CL Bank Nederland

Central Capital

Clarterhouse Bank

Clarterhouse Bank

BASE LENDING RATES Nat Westminster ... 10½
Northern Bank Ltd ... 10½
Norwich Gen, Trast ... 10½
PRIVAT Transkers Limited ... 10½
Provincial Bank PLC ... 11½
R. Raphael & Sons ... 10½
Royal Bk of Scottand ... 10½
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SSB ... 10½ Courts & Co.... Cypras Popular Bk , Dunbar Bank PLC ... UOT Mortgage Exp _____ \$11.45
United Bt of Kewalt ____ 1012
United Micrahl Bank .___ 1012
Unity Trust Bank Pic ____ 1012 Western Trust 10½
Westpar, Bank Corp. 10½
Whiteaway Laidlaw 11
Yorkshire Bank 10½ HFC Bank plc 10½
Hambros Bank 10½
Heritable & Ges Inv Bk 10½
Hill Samuel 510½

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the market. Key attributes and drawbacks are cleerly flagged to enable you quickly to find the ideal system for your company. Published monthly by Figancial Times

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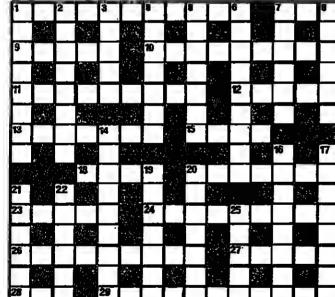
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American Interest	Bishapsyate Progressive Mgmt Co (1200):				
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I.G INDEX LTD, 9-11 GROSVENOR					
Aug. 1484/1493 - 8 Aug. 1848/ Sep. 1483/1492 - 8 Sep. 1846/3	100 WALL STREET, 1858 -11 Aug. 2112/2124 -8				
Prices taken at 5pm and change	Is from previous close at 9pm				
JOTTER PAD					
CROSS	WORD				
No. 6,698 Set					
1 2 3 0	8 6 7 8				



- ACROSS

 1 Having little enthusiasm, only partially try the man
 (4-7)
- 7 Boastful talk is mainly cut
- 10 The start of an event is held

- it's a casserole (11)

DOWN 1 I'm spent, so don't support as much (8)
2 Sport needs the dressing about; sportsmen could strain it (8)

- 3 Society leaves non-commer-cial residence for paid accommodation (5) Set off? Switch on (7)
- 8 He argues and it puts out

- (5)
 10 The start of an event is held with short (rum) (9)
 11 Two students with meal and tea upset with certain plates (9)
 12 Top class wise man's routine (5)
 13 Genuine transgression's to brand, one hears (7)
 15 Provide a rent drop? (4)
 18 Admen usually included it (list of orders) (4)
 10 It's difficult to drive over river by hotel, after diversion (7)
 23 Bit of a conflict (5)
 24 Helps the waiting (and it's not unlawful!) (5.4)
 26 'Micro' gone on blink affecting man and his work (9)
 27 Minioter's stipend old money for a short time (5)
 28 Showy marble is lost; how dull! (3)
 29 Treat all? Oui! When cooked it's a casserole (11)

 (9)
 Comprehensive description of the spinner? (6)
 1 It comes as a surprise to watch the early bat (3-6)
 1 Theoretical ideal (6)
 1 About the seat you get to sit back again (8)
 19 You can't see the parting of the waves when this (7)
 20 Wild animal of north or south? (6)
 21 Port the overweight care for (6)
 22 Rough shout about a gee-gee (5)
 23 Us fan could be confused here (5)
 24 Helps the waiting (and it's not unlawful!) (5.4)
 25 Us fan could be confused here (5)
 26 Theoretical ideal (6)
 27 Wild animal of north or south? (6)
 28 Us fan could be confused here (5)
 29 Us fan could be confused here (5)
 20 Us fan could be confused here (5)
 21 De La A N R R I GAPIT (6)
 22 Rough shout about a gee-gee (5)
 25 Us fan could be confused here (5)
 26 Us fan could be confused here (5)
 27 Minioter's stipend old money for a short time (5)
 28 Showy marble is lost; how dull! (3) Solution to Puzzle No.6,697

 HENPARTY GANDID
 E I D E A N R I
 RAPID RIGHTEOUS
 E P I M R E V A
 SCOTSPINET PLEAS
 V N O I E E I
 N SEANCE DINETTE
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- Oktington Unit Tet Mnyt Ltd (1209)#

 9 The Desten, Physical PLI 3AB 0752-673873
 Total Perforace ... 971.98 75 41 76 181-011 L.84 5 People in the wrong annoy (9)
 7 Comprehensive description Democrati Int Cot 9 - 54,66 FF 54,63 S 4979-1353.70

 Democrati Pitter St. Landon SWIALLT 01.499-5333

 54 St. James St. Landon SWIALLT 01.499-5333

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Growth Ford 34, 22,17 12,574,34,83-414,44

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Pacific Greek ... \$1.85 \$1.85 \$5.34 \$0.00 \$7 \$8.44 \$0.00 \$7 \$8.45 \$1.85 obal Asset Marragement (1200)F

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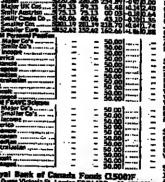
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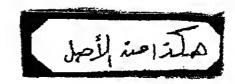
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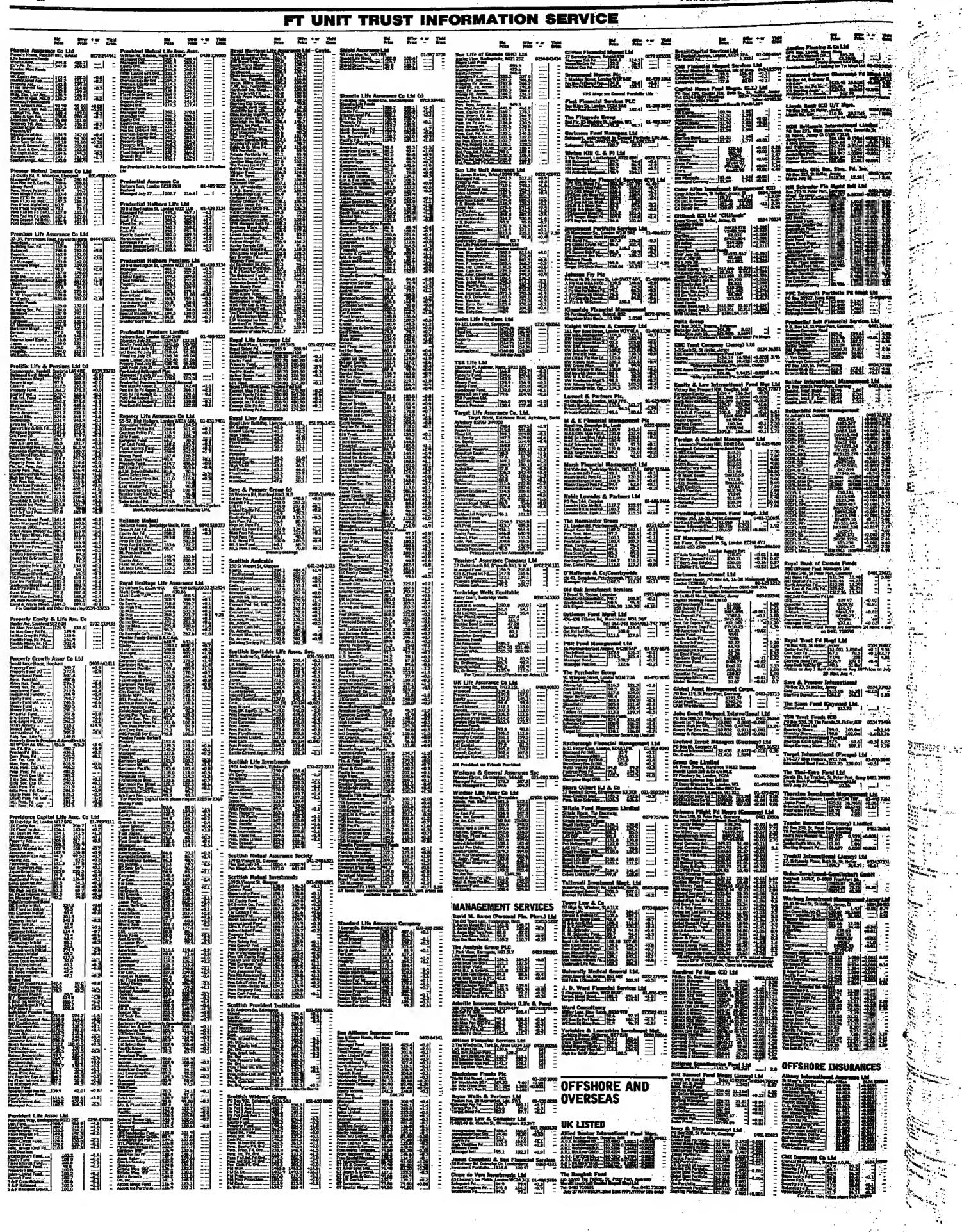
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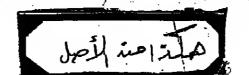
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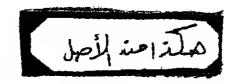
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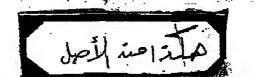
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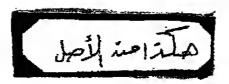
FINANCIAL TIMES WEDNESDAY AUGUST 3 1988 FT UNIT TRUST INFORMATION SERVICE LONDON SHARE SERVICE **BRITISH FUNDS FOREIGN BONDS & RAILS** BRITISH FUNDS - Contd 1988 High Low 45 33 Greet 7pc Ass. 45 33 Do Apc Mired Ass. 45 33 Do 4pc Mired Ass. 75 63 Hung. 24 Ass. 14013 12813 Hydra Gueber 15pc 2011. 128 b 1181 Excland 14* pc Ln 2016. 1014 96 b kreland 94 pc '91-96. Engle Star Independents 168 0624.28 [Ridge New Yorks 167] Dengton, 1688 0624.28 [Ridge New York 167] Dengton, 1688 0624.28 [Ridge Color, 167] Dengton, 1684 06.001 [Ridge New York 167] Dengton Black 167, 167, 1684 06.001 [Ridge New York 167] Dengton Black Color, 167, 1684 167, 1685 167, Undated "Shorts" (Lives up to Five Years) 1 net Gersey) Lie Franklie **AMERICANS** Price + er Div Gress Cw Grs. 451s + 40 Div Grs. 451s + 451 Emetry 5. 1.2W International Life Asser Co Ltd Vicine He, Propect Rill, Desgin, tolk European Expire. S2.2 1 3455 For Castern Residue, 50.270 6.022 And Control of Control o And Applies Rear Read Action 11 Action 12 Acti Judjes Baer Bank & Trest Co Ltd Lucian: Sery Std. (Sistem laived) 5-bar, J Sarsky ... (Sistem 1111.00) 5th bar, J Seguited ... (Sistem 1111.00) - Tres charge 8 SODPBertalenem Street SB. 8 SOLPBilo-Rad Labs. Inc. A. 15 's Bowater Inc. 15 's Bowater Inc. 16 List Browning-Ferris 16.6c 78 J Burnswick 75c. 21 List CPC Lettni. Zec. 21 List CPC Lettni. Zec. 21 List CPC Lettni. Zec. 21 List Campbell Soup 15c. 22 List Campbell Soup 15c. 23 List Campbell Soup 15c. 24 List Campbell Soup 15c. 25 List Campbell Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3,945. RPI for November 1987:103.4 and for Janua 1988:106.6 **INT. BANK AND O'SEAS** Leagueld Joseph & Sons (Guerosay) LJ & Sourcety Faul LJ, Internet, Pd. 25.00 25.40 +0.04 LJ, Starting Food. 25.30 25.37 -0.18 **GOVT STERLING ISSUES** Five to Fifteen Years 93.5 8915 unding for 1993s. 127.4 11.40 ress 13-8 to 1993s. 101.6 923 lives. 89 to 1994s. 125-5 1178 lives 14-9 to 1994s. 125-5 1178 lives 14-9 to 1994s. 125-9 113-5 cro 13-9 to 1994. 103.6 99-8 lives. 10pt in 1994s. Kleiswert Bensmi Group (netealizatio Gib Fd. SIA 40 Trencatizatio Gib Fd. SIA 60 Trencatizatio Fd. SIA 60 Trencatizatio Fd. 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Current 2 Stein Steins Market... 129.9 1 Steins Market... 129.9 2 Steins Market... 12 LOANS Building Section 1001 | 993 | 1001 | 993 | 1001 | 1002 | 993 | 1001 | 1002 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 1003 | 10 **Enitting Societies** | 10.57 | 11.08 | 9921 | 10.52 | 10.75 | 10.82 | 10.75 | 10.82 | 10.75 | 10.95 | 10.22 | 10.75 | 10.22 | 10.95 | 10.22 | 10.95 | 10.22 | 10.95 | 10.22 | 10.95 | 10.22 | 11.08 | 11.08 | 11.08 | 11.08 | 11.08 | 11.08 | 11.08 | 11.08 | 11.08 | 11.08 | 11.09 | 10.00 | 11.09 | 10.00 | 11.09 | 10.00 | 11.09 | 10.00 | 11.09 | 10.00 | 11.09 | 10.00 | 11.09 | 10.00 | 11.09 | 10.00 | 11.09 | 10.00 | 11.09 | 10.00 | 11.09 | 10.00 | 11.09 | 10.00 | 11.09 | 10.00 | 11.09 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 | 11.00 404 325, NAVEX SJ. 194 15PHR. 3088 999 Pacific Ag | 104 7570Pac Gas & Elect SS. 214 16 9 Pacific Prices 10c. 175 134 Pacific Prices 10c. 175 134 Pacific Prices 10c. 175 134 Pacific Prices 10c. 175 137 Pacific Prices 10c. 175 137 Pacific Prices 10c. 175 121 Primeric SJ. 176 234 Raps 10c. 176 237 Raps 10c. 177 Sun Co. 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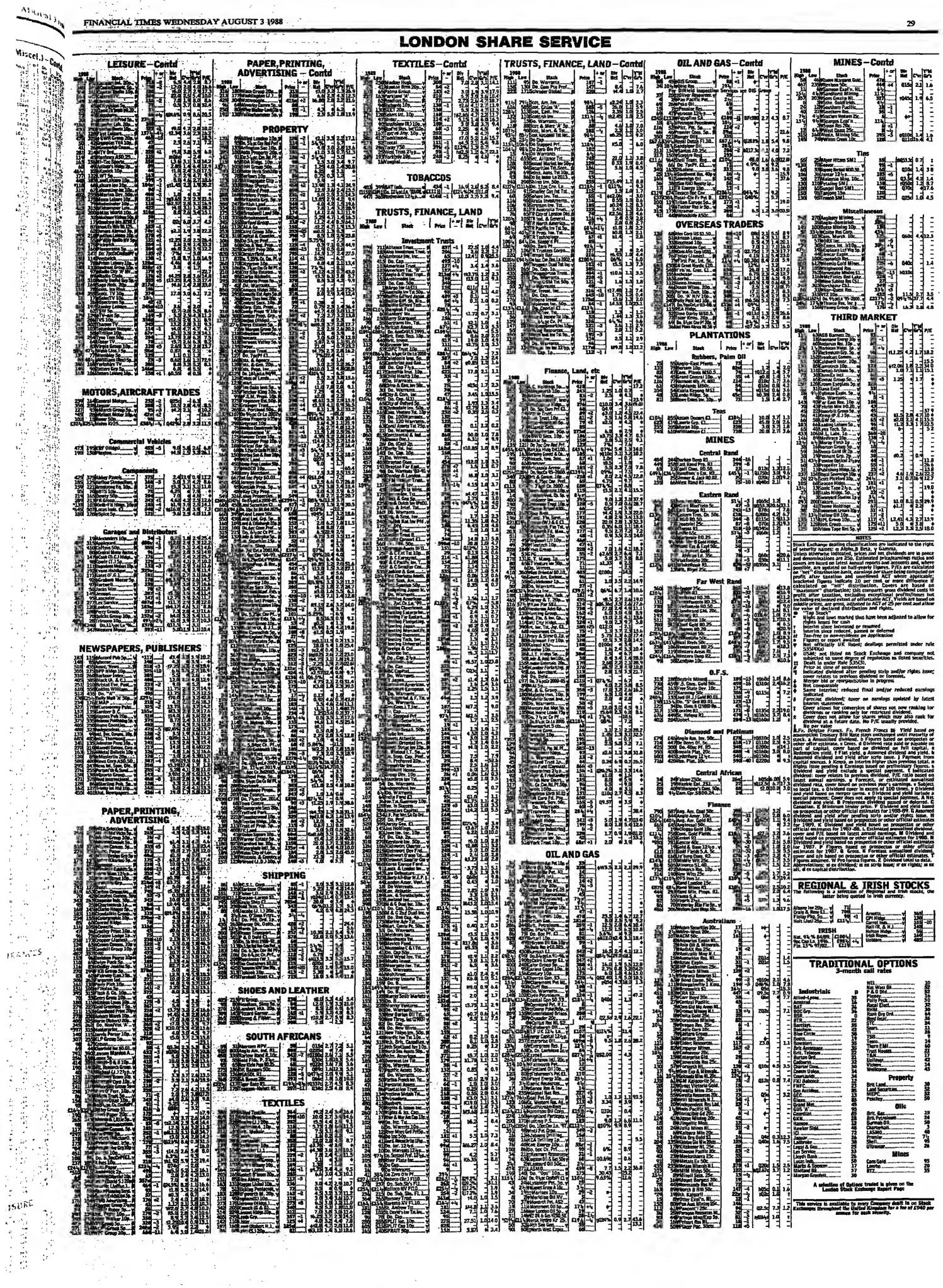
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Year ago (approx)

index No.

Fri Jul 29

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- 17.45 710.33 708.56 704.40 816.28 6.19 24.36 666.52 674.91 668.33 816.17

- 24.97 1090.17 1070.31 1065.79 1092.24 - 13.82 558.21 556.80 556.40 610.72 13.23 51.54 992.04 96.26 986.36 1309.25 - 7.03 355.88 351.43 350.47 479.36

- 12.35 920.74 911.52 910.01 1114.68 12.29 8.12 526.50 526.27 517.82 711.77 11.66 29.22 1149.14 1147.35 1145.11 1186.53

Jel Jul 28 27

19.36 969.89 965.18 960.10 1173.23

Tue Aug 2

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5yrs... Over 5 yrs... 5 yrs... Over 5 yrs...

5 years.... 15 years.... 25 years....

1218.77 1248.55 378.79 571.73

Year ago

Year ago (approx.)

8.62 9.57 9.57 9.81 9.84 9.97 9.96 9.64 9.46

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Jul 26

Mon Aug 1

9.53 9.41 9.18 9.96 9.64 9.39 10.07 9.78 9.43 9.63

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-0.2	9.93	3.92	12.48	15.94	812.63	888.65	806.10	970.10	
-0.2	11.10	4.14	11.04	18.65	1826.41	1619.23	1018.62	1259.08	
-0.4	10.39	3.35	22.58	26.91	1604.20	1603.22	1610.80	1804.39	
-0.4	8.37	4.50	14.77	48.13	2225.74	2282.9	2198.38	2599.58	
-0.2	9.68	5.41	13.26	37.62	1767.13	1755.80	2034.62		
-0.1	9.65	4.11	12.83	8.49	424.87	428.73	429.49	521.29	
-0.5	9.41	3.75	13.12	7.95	501.30	497.30	498.39	569.52	
-0.6	4.71	1.30	4.49	10.17	5.54	228.55	224.26	224.14	335.22
-0.5	8.79	4.10	13.60	28.21	1341.17	1329.44	1324.12	1614.97	
-0.4	10.64	5.65	11.85	17.68	1121.11	1115.38	110.25	119.24	
-1.0	0.58	3.62	14.91	17.45	1016.66	1905.79	1085.19	1011.49	
-1.1	8.75	3.57	15.98	29.87	2011.18	1984.83	1989.29	2478.21	
-0.7	6.64	2.61	17.47	10.01	1885.93	1854.49	1843.50	2495.85	
-0.1	8.54	3.70	14.99	24.81	1354.05	1348.78	1341.16	1380.65	
-0.2	9.15	5.78	14.02	9.64	539.17	537.40	536.44	710.45	
-0.4	11.33	4.46	10.36	12.51	612.74	610.97	686.47	805.85	
-0.4	11.33	4.46	10.36	12.51	612.74	610.97	686.47	805.85	
-0.4	11.33	4.46	10.36	12.51	612.74	610.97	686.47	805.85	
-0.4	11.33	4.46	10.36	12.51	612.74	610.97	686.47	805.85	
-0.4	11.30	4.60	12.84	34.04	1945.09	1913.81	1917.13	1691.79	
-0.3	8.05	2.43	15.71	7.95	1024.63	129.90	120.87	1496.26	
-0.1	10.18	4.36	11.32	20.98	129.41	121.83	1117.13	1691.79	
-0.3	9.74	3.87	12.77	17.77	988.76	901.83	977.91	1390.90	
-0.3	9.89	4.14	12.64	20.55	1845.63	1856.99	1836.86	235.59	
-0.3	9.89	4.14	12.64	20.55	1845.63	1856.99	1836.86	235.59	
-0.3	9.89	4.14	12.64	20.55	1845.63	1856.99	1836.86	235.59	
-0.3	9.89	4.14	12.64	20.55	1845.63	1856.99	1836.86		

-0.3 9.89 4.14 12.64 20.55 1061.60 1055,93 1058.63 1296.54

4.90 6.61 4.61 5.30 6.46 4.09 2.62 5.11

3.00 3.61 4.89

4 Medium 5 Coupons 6 7 High 8 Coupons

Index-Linked 11 Inflation rate 5%

12 Inflation rate 5%
13 Inflation rate 10%
14 Inflation rate 10%

- 4.22

25.53 11.90

AVERAGE GROSS REDEMPTION YIELDS

Ang Jul 1 29

-6.7 1858.1 1851.8 1862.2 1853.6 1841.3 1840.8 1837.7 2307.8

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Gradient Committee

RISES AND FALLS YESTERDAY British Funds Corporations, Dominion and Foreign Industrials 496 147 41 0 403 60 12 81 113 1,578

LONDON RECENT ISSUES EQUITIES Appens. 22/8 1275 130 130 120 120 28/7 26/8 Ø5 195 140 140 140 125 900

	FIXED INTEREST STOCKS								
Issue Price	Amount. Paid	Latest Recurs	19	98	Smot	Closing Price	+.		
£	ap 1	Date	fligh	Low		2	-		
100p 4 565 100p 5100p 4 100p 100p	EP. FP. FP. FP. FP. FP. FP. FP. FP. FP. F	12/8 22/8 12/8	1650 1050 1050 1180 1150 1150 1150 1150 11	102p 308p 101p 60 108p 5654 2 pon 994 100 111p 5822 100ps 170ps 113p 2p	Attenuals (First 81-pc Gld Ad Cr P1 59 4Chg Gate Seet 31-pc Cn Dr Pri 51 Erskine Honce Gry 7.75-pc Cr Cm Rd Pf Honeyesine Fre Cr Cm Rd Pf Honeyesine Fre Cn Lr, Rd, Pf, 51 N wide Ang, 1091-pr, 17, 7.89 Do. 11 4, pc, 7.8, B7 Prestruck Hidge 74, pc Cr Rd Pf 51 Sommer Int 1, 74-pc Cr Rd Pf 52 Sommer Int 1, 74-pc Cr Rd Pf 20p Wagen Int 1, Hidge, 74-pc Cr Rd Pf 20p Wagen Int 1, Hidge, 74-pc Cr Rd Pf 20p Watergland Int 17, 75-pc Cr Rd Pf	1939 1939 1939 1934 1934 1934 1934 1939 1939	2 七二 紀十八十		

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Price Paid Re		Latest Renunc.	19	X68	Stork	Closing	٠.
		Low	1	£	1		
340	NA	2/9 16/9	65pm	58pm	Booler	60pm	3
760	RH RH	10/9	11pm 40pm	20cm	& Campbell & Armstroog 5p	10pm 35pm	12
20	NA I	2/2	7pm	5om	Loodman Croup 50	Som 5om	II
685	iai	8/9 8/9	145om	135om	Macaltan-Glenilvet.	145pm	_
310	MIE	819	4Bpm	43pm	Northamber 5p	48pm	+2
45	161		2Bom		Owners Abroad Group 3p	28am	
340 180 282 20 685 319 45 35 5	HGI HGI	13/9 26/8	12pm 1ppm	%ppm %ppm	Sonic Tane	3pm	+2
					estimates.d Dividend rate paid or payable o		١.

TRADITIONAL OPTIONS						
First Dealings July 25 Last Dealings Aug 5 Last Declarations Oct 27 For settlement Nov 7 For rate Indications see end of London Share Service Stocks dealt in for the call included Sears, Capital and Regional Properties, Mariner,	New Cavendish Estates, B Priest, Cadbury Schweppes, Standard and Chartered, Noble and Land, J England, Highgate and Job, Chloride, Polypipe and WA Holdings. Puts were arranged in New Cavendish Estates and Ragian Properties, but no double options were reported.					

			*****			PUTS					CALLS			POIS	
Option	.	Oct.	CALLS Jan	Apr	Oct	Jan	AW	Option		Avg	Nev	fee	1	1	Faa
Ailled Lyout	390	46	53	43	. 23	10 22	별	LASMO (*460.)	2950 450	129	#	15 28 27	,	585	23
(*423.)	420 460	24	35 17	45 26	40	45	- 27 -			2	# #	ii.	2	ÿ	8
Brit_ Airmays (*158)	140 140 180	22	26 15 51 ₂	29 17.	10 75	14	16	P. & 0. (*578.)	550 600	Ŋ~	20	35	27.	47	55
Belt. & Commt.	180 220	2 ¹ 2		38	25 5	28 Q	10	Pilington (*214)	200 220	15	2	20_	10	Ū	22
(*238.)	茲	. 26 .	5 KK	27	28	30	3	(*167)	160	9	12	23	, Ît	3	190
8.F. (*259.)	240 260	24 105	32 18	33 22	124	· ·	20	Prodestial	- 180 160	13	34	20	- 1		7
	250	- 4	9,	122	28		34	(*164)	300	25	42	50	1	7	32
825 (770) -	750 800 850	22 22	75	57	30-	20 42 75	15	(*324)	330	1	12	퍒	18 37	X	4
Cable & Wire	330	58	70	80	-3-	.7 -	13	R.T.Z.	390 420	45 20	60	辞.	1	20	33
. (*381.)	350	37 18	33	37 40	22	15	35	(*(31.)	460	22	20.	35	35	17	10
Coos. Gold	1000 1100	100	125	150	भ्रद्ध	473	38	Vaul Reefs (*584)	50 50	3,	34	1.6	. 16	16	15
Courtaudds		28	54 47	57	230*	12	25	Option		Sep	Dec	Mar	Sep	Dec	Mar-
(*352)	330. 360. 390	, GK	30 10	38	20	27	30	Amstrad	220 240	10	27	37) 27	592	7	10
Com. Union (*382.)	360 390 420	33 15	46	54 39	12 27	20 32	24 39	(°234)	390			42	19	27	30
		. 9	29 17	. **	49	52		(*399')	395 420	17	.26	25	•	_	52
6.E.C.	器器	. 19	10	28 14	2	490	35	Bercham (*485.)	. 460 500	3 4	24	쓏	372		20 37
S.K.N.	300	12	51	7	5	10	15	8TR (*288)	280 300	17	222	22	22	×	27
(*336.)	.330 360	20	路	38	25	28 38	33	Blue Circle	620	37	30	43	毙	28	20
Grand Met.	420	. 77.	57	63	12	1142	16.	(*447.)	460 500			30	12	8	67
	500	18	33 .	38	25	28	33	0ixons (*180)	180	. 22	13	31 22 12	10 24	X	17.
C10467	1000	102	3.0E	107	RINE	888	53 105	Glavo	200 900	95	115		•	76	33 33
Jaguar	260 280 280	28 34 ·	45	58. 55.	. 5	9	12	(*975)	950	\$0 32	80 53	188	23	*	53
(*288)	290 300	2 <u>7</u>	31	36	15	15	223	Hawter Sled.	460	78	27	100	. 2	ij	10 22
Land Securities (*577.)	500 550 600	90 50	103	4	5 10-	7 10	22	(उटा)	550	45	55 20	43	26	57	45
		28	33	48	32	40	45	#N59down. (*278.)	260 280	Ŋ	337	22	10	70 71	24
Marie & Spencer (*172)	160	165	23	, GR	n 2	25	16 ,		300	5	-193-	216	25	5	32
Britoil ·	200 420	- 2	-	-	5	-		(*3.44)	140	John Stranger	12 ×	21 b	17 17	19	20
(200)	460 480	- 1		-	14	_ :		Lenrho -	223	16	24 15	1.5		16 16	19
Rolls-Royce	130 140 160	142	10	22 17	4	7	10	(*234)	240 260	2 2	. 7	10 91 ₂	15 30	32	34
		71 212	121 ₂ 51 ₂	9	25	発力	15 30	Midland 8k (*413)	390 420	35 16	48 27	40	. 22	감	38
(275)	KK	37 27 15	36.25	121	. 2	10	18 . 28 .	Sears	120	20 15	23	28 21	112 415	3	10
Salmbury	200	24	28	34	16	5	6	(*137)	140	7	112	17	9	12	24
(4579.)	220 240	9	16	22	10	12 26	34	Tesco (*144.)	140	10	15 5	10	10	19	19
Shell Trans (*1068)	950 1000	135	117	132	10	19	45	Trusthouse Forte (*246)	220 240	29	96 22 11	39	7	3	1412
	1100	92 33	57	74	20 67	30 75	95		-260	5	92	105	10	21	15
Storehouse (*239)	220 240	30 19	30	.37	15	-20	25	Thorn EM! (%63)	650	33	57	70	13.	2j	28 52
Trafalest House	260	10 38 23	42	-47 -33	30	33	15 23	Uniterer	700 420	\$3	78	-	17		20
Trafalger House (*307)	300 330	23	28	20	28	18	40	Uniterer (*480)	460 500	3	42	26	28	16 35	42
7.S.B (*106.)	90	17	19	. 15	112 512 10	2.	_	Wellcome (*522.)	500 550	43	KX	77	1136	2145	51
	100 110		101 ₂ 51 ₂	15	10	104	. 12	Option	• •.	See	Dec	Apr	See	Dec	Apr.
Utd. Biscuits (*306.)	300 330	20 8	14 14	\$ 10	23	30 30	73	Conts (*220)	200 220 240	24.0	32	525	10 24	MGC	16
Uftrantar (*289)	260	43 29 19	542	49	10	15 25	-		240		16	_	Jan	25 0tt	No.
	280 300		.32	40	16 26	34	20 39	Option British Cas	170	.tan	0ct	Mar		25 54	2.00
(*276)	260 260 300	প্ৰশ্ৰ	보지コ	40 28 18	17 32	20 33	13 25	(*182)	170 180 200	16	1712 912 213	19	274	20	10 22
	300			- 25		. 35		Option		See	Nov	Jan	Sep	:Nov.	(3d)
					11.			(*462)	420 460 500	230	62 30 16	68 40 21	16	10 20 E	24 50
Option	436	Ang	Nov	Feb	Aug	Nov	Feb 16		500	0	16	21	43	. 6	50
Bett Aero (*472)	420 460 500	375	13. 13. 13.	88.8	31	곾.	30 52	Option		Aug	Nov	Feb	Aig	Mov	Feb
BAA	265	.12	27 17		1 to 6	8		Conv. 932% 2005 (*100)	100	2H	A.V.	漢	- 9	121	111
. (*276.)	280. 300	212	8	25	25	14 27	19 29	Tr. 12% 1995		13	10	19	2		
BAT leds (*434)	390 420	45 15	33	65	.2 2	15.	. 10 . 20	(606.)	108	23		1	拉	3	괢
	460	, 12	33	24		15. 38	42	P 10 10 10 10 10 10 10 10 10 10 10 10 10		-			- :	• ••	
Brit. Yelecom (*245.)	220 240 260	8	18	38 24 14	17 17	3	127	FT-SE 1650	210	-2121	214	218 ·		10	Nov 34
Caribury Schweppes		47	62	73		19	12	FT-SE 1650 Index 1700 (*1856) 1750 1800	110 110 110 110 110 110 110 110 110 110	165	170	.77	3 9	15	20 30 43
(*375)	330 360 390	18	42	50 35	18	33	20 37	1800	68 30 12	80 48	92	102 1	2 2	15 25 36 55	43
Goloness	300 330		37	45 28	7.	В.	12	1900 1950	12	80 48 25 12	60 38 25	33 16	37 34	1 220	45 127
(*325.)	360	26 3	18 7	_17_	36	18 40	45	2000	12	• 1	13 3	20 [1:	5 15	193	165
Ladbroke . (*436)	390 420	48 19	57 35	68 47	11 ₂	4½ 14	a 17 39	August 2 To	rat Cont	races 21 Index C	14.550	alis 17, 2 Pets	1035 1035	5 10,47	1
	460	19	14	25	26	36	39		*0	nderlyin	b tecnu	ity price			
		-	-	_											

8½ per cent TREASURY STOCK, 1994 FOR AUCTION ON A BID PRICE BASIS PAYABLE AS FOLLOWS: Price bid less £50 per cent £50 per cent Balance of purchase money:
an Monday, 19th September 1988 £50 per cent
INTEREST PAYABLE HALF-YEARLY ON 3RD FEBRUARY AND 3RO AUGUST THE GOVERNOR AND COMPANY OF THE BANK OF ENGLAND are a The principal of and interest on the Stock will be a charge on the National Loans Fund, with recourse to the solidated Fund of the United Kingdom. The Stock will be repaid at per on 3rd February 1994. 4. The Stock will be registered at the Bank of England or at the Bank of Ireland, Belfast, and will be transferable, in multiples of one penny, by instrument in writing it accordance with the Stock Transfer Act 1963, Stock registered at the Bank of England held for the account of members of this Central Gits Office Service will also be transferable, in multiples of one penny, by exempt transfer in accordance with the Stock Transfer Act 1982 and the relevant subordinate legislation. Transfers will be free of stamp duty. Interest will be payable helf-yearly on 3rd February and 3rd August. Income tax will be deducted from powhents of more than £5 per armum. Interest warrants will be transmitted by post. The first interest payment will be made on 3rd February 1989 at the rate of £3.8582 per £100 of the Stock. Method of Application
6. Bids may be made on either a competitive or a non-competitive basis, as set out below, and must be submitted on the application form published with this prospectus. Each application form must comprise either one competitive bid or one non-competitive bid. Separate arrangements have been made under which git-edged market makers may make competitive bids by telephone to the Bank of England not letter than 10.00 a.m. on Wednesdey, 10th August 1988. Application forms must be lodged at the Bank of England, New Issues (G), New Change, London, EC4M 9AA tates than 10.00 A.M. On WEDNESDAY, 10TH AUGUST 1988, or at any of the Branches or Agencies of Bonk of England not later than 3.30 P.M. ON TUESDAY, 9TH AUGUST 1988, Bds will not be revocable year 10.00 a.m. on Wednesday, 10th August 1988 and 10.00 a.m. on Mondey, 15th August 1988. Each bid must be for a minimum amount and in a multiple of Stock as follows:-Amount of Stock applied for Amount of Stock appear for Manager Competitive bids (minimum £100.000) £100.000 £100.000 £1.000,000 £1.000,000 £1.000,000 £1.000,000 £1.000 £1.000 £1.000 £1.000 £1.000 £5.000 £5.000 £5.000 £5.000 £5.000 COMPETITIVE 8IDS
Each competitive bid must be for one amount and at one price expressed as a multiple of 1/32nd of £1 and must be for a minimum of £100,000 nominal of Stock. A separate cheque representing the DEPOSIT DUE, i.e. THE PRICE SID LESS £50 FOR EVERY £100 NDMINAL OF STOCK 810 FOR, must accompany each competitive bid. Cheques must be drawn on a branch or office, situated within the Town Clearing area, of a settlement member of CHAPS and Town Clearing Her Mejesty's Tressury reserve the right to reject any competitive bid or part of any competitive bid. Competitive bids will be ranked in descending order of price and allotments will be made to applicants whose compatitive bids are in or above the lowest price at which Her Mejesty's Tressury decide that any competitive bids should be accepted (The lowest accepted price). APPLICANTS WHICE COMPETITIVE SIDS ARE ACCEPTED WILL BE ALLOTTED STOCK AT THE PRICES WHICH THEY BID: competitive bids which are accepted and which are made at prices above the lowest accepted price will be allotted in full; competitive bids which are accepted and which are made at the lowest accepted price why be allotted in full; or in part only.

NON-COMPETITIVE BIDS
A non-competitive bid must be for not less than £1,000 nominal and not more than £100,000 nominal of Stock, and must be in one of the multiples described in paragraph 8 abovs. Only one non-competitive bid may be submitted for the benefit of any one person. Multiple applications or suspected multiple applications are liable to be rejected.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times,

the Institute of Actuaries and the Faculty of Actuaries

Day's Change %

-0.2 -0.4 -0.2 -0.5 -0.5 -0.5 -1.0 -1.1 -0.1 -0.2 -0.2 -0.4

-0.4 -0.9 -0.1

-0.6 -0.0 -0.3

-0.1

-0.1 -1.1 -0.5

-0.3

xd adj. today

0.37

0.05

Mon Aug 1

Index Day's Day's Day's No. Change High Low

xd adj. 1988

to dat

7.00

8.49

7.25

7.30

7.84

2.13

2.04

6,54

3.61

#Opening Index 1856.4; 10 am 1856.6; 11 am 1855.4; Noon 1853.9; 1 pm 1854.8; 2 pm 1855.7; 3 pm 1857.6; 3.30 pm 1855.2; 4 pm 1855.8

† Flat yield. Highs and lows record, base dates, values and constituent changes are published to Saturday issues. A new list of constituent is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London EC4P 48Y, price 15p, by post 32p.

APPLICATION FORMS MUST BE LODGED AT THE BANK OF ENGLAND, NEW ISSUES (G). NEW CHANGE, LONDON, ECAM SAA NOT LATER THAN 10,00 A.M. ON WEDNESDAY, 10TH AUGUST 1988, OR AT ANY OF THE BRANK OF ENGLAND NOT LATER THAN 3.30 P.M. ON TUESDAY, 9TH AUGUST 1988.

ISSUE BY AUCTION OF £750,000,000

21.67

9.77

5.93

10.53

9.20 10,87

810.62

. 1024.40 1597.75 2216.22 . 1764.19

425.38 499.03 287.33

1333.91

1006.71 1979.46 1871.86 1352.21 538.23

3618.57 832.78 610.49 907.60

1120.73 1077.63 1229.60

1946.31 972.70

1212.66

986.04

1840.60

1050.50

707.22 660.47

1089.04 558.03 986.05 353.04

380.72

920.11 520.81 1143.64

966.77

Tuesday August 2 1988

Est. Gross
Eamings
Yield%
(Max.)
(Act. at (25%)

9.93

Est. P/E Ratio (Net)

12.48

EQUITY GROUPS

& SUB-SECTIONS

Contracting, Construction (37) Electricals (12)

Mechanical Engineering (56) Metals and Metal Forming (7) Motors (14)

1G Other Industrial Materials (23)...

21 CONSUMER GROUP (186)..... 22 Srewers and Oistillers (21)..... 25 Food Manufacturing (21).....

1 CAPITAL 60005 (209) _

2 Building Materials (29)

Electronics (31)

25 Food Retailing (16). 27 Health and Household (12) . 29 Leisure (30) 31 Packaging & Paper (17)..... 52 Publishing & Printing (18) ... 34 Stores (34)....

41 Agencies (19)... 42 Chemicals (21).

48 Miscellaneous (26) ...

51 0il & Gas (12).....

62 Eanks (8)...

49 : NDUSTRIAL GROUP (488) ...

59 50C SHARE INDEX (500)....

57 Insurance (Brokers) (7)... 68 Merchant Banks (11)....

71 Investment Trusts (78) . 81 Mining Finance (2)

91 Overseas Traders (8)

FT-SE 100 SHARE INDEX #_

FIXED INTEREST

Day's change %

120.48 +0.03 120.44

136.53 +0.02 136.50

163.99 +0.15 163.74

134.09 +0.05 134.08

128-03 -0.11 128.16

121.40 +0.15 121.22

121.77 +0.13 121.62

117,55 -0.03 117,59

92.65 -0.13 92.78

3 Over 15 years..., 148-20 +0.15 | 148-35

Property (51). 70 Other Financial (30).

British Gov

5 years ...

2 i 5-15 years ...

4 Irredeemables.

5 All stocks

6 5 years..

Index-Links

7 Over 5 years .

9 Cabentures & Loans

a Ail stocks ..

Her Mejesty's Tressury reserve the right to reject any non-competitive bid. All allotments which are made a non-competitive applicants will be made in full AT A PRICE ("the non-competitive allotment price") EQUA TO THE AVERAGE OF THE PRICES AT WHICH COMPETITIVE BIDS HAVE BEEN ACCEPTED, the average being weighted by reference to the emount accepted at each price and ROUNDED DOWN TO THE NEAREST MUCTIPLE OF 1/32ND OF £1. If the non-competitive allotment price is less than £100 per cent, the balance of the amount paid as depos will be refunded by cheque despetched by post at the risk of the applicant. If the non-competitive allotment price is greater than £100 per cent, applicants whose non-competitive bid are accepted may be required to pay a further deposit equal to the non-competitive allotment price less £100 for every £100 nominal of Stock allocated to them. An applicant from whom a further deposit is required will be notified by letter by the Benk of England of the amount of Stock allocated to him and of the further deposit due, but such notification will confer no right on the applicant to transfer the amount of Stock as allocated. The despetch of allotment letters to applicants from whom a further deposit is required will be delayed until such further deposit has been made. 11. Her Majesty's Tressury may allot to applicants less than the tull amount of the Stock. Any balance of Stoc not allotted to applicants will be allotted at the lowest accepted price to the Governor and Company of the Ban of England, Issue Department. payment of his cheque, but such notification will confer no right on the applicant to transfer the Stock so allocated 13. No ellotment will be made for a less amount then £1,000 Stock, in the event of partiel allotment, the betance of the amount paid as deposit will, when refunded, be remitted by cheque despetched by post at the risk of the applicant; if no ellotment is made the amount paid as deposit will be returned likewise. Payment in full may be made at any time after allotment but no discount will be allowed on such payment, interest may be changed on a day-to-day besis on any overdue amount which may be accepted at a rate equal to the London inter-Bank Offere. Pate for seven day deposits in sterling (TUBORT) plus 1 per cent per annum. Such rate will be determined by the Bank of England by reference to market quotations, on the due dote for the relevant payment, for UBORT obtained from such source or sources as the Bank of England shall consider appropriate. Default in due payment of an amount at respect of the Stock will render the elicitment of such Stock lights to cancellation and any amount previously paid liable to forfeiture. amount at respect of the Stock will render the ellotment of such Stock liable to cancellation and any amount previously paid liable to forfeiture.

14. Letters of allotment may be split into denominations of multiples of £100 on written request received by the Bank of England, New Issues, New Change, London, ECAM 9AA on any date not later than 15th, September 1988. Such requests must be eigned and must be accompanied by the letters of allotment.

15. Members of the Central Gits Office Service may, subject to the provisions of the agreement governing their mambership of than Service, surrender a parthy-paid letter of efforment to the Central Gits Office for cancellation and for the Stock comprised therein to be credited to the member's account. The member who is shown by the accounts of the Central Gits Office as being entitled to any Stock shall, to the exclusion of all persons previously entitled to such Stock and any person claiming any entitlement thereto, both be treated as entitled to such Stock as if that member were the holder of a letter of allotment and be liable for the payment of any amount due in respect of such Stock. A member will be entitled in any time prior to registration to withdraw, in multiples of £100. Stock credited to the member account and to obtain a parthy-paid letter of allotment comprising such Stock, and such member shall be label for the payment of all amounts becoming due therefor in respect of such Stock unless and until that letter of allotment is surrendered to the Central Gits Office for cancellation as aforesaid.

18. Latters of allowment must be surrendered for registration, economizated by a completed registration form when the balance of the purchase money is paid, unless payment in full has been made before the due date, it which case they must be aumendered for registration not later then 19th September 1988; registration of Stock held for the account of members of the Central Gilts Office Service will be effected under separate errangements.

17. Until the close of business on 30th December 1988, stock issued in accordance with this prospectus will be known as 84 per cent il masury Stock, 1994 "A". The impress due on 3rd February 1989 will be paid separately on holdings of the existing 89 per cent fireasury Stock, 1994 and on holdings of "A" stock as at the close of business on 30th December 1988; consequently interest mendates, authorities for income tax exemption are other notifications recorded in respect of holdings of existing stock will not be applied to the payment of interest due on 3rd February 1988 on holdings of "A" stock. 18. The last day for lodgement at the Bank of England of transfers for registration as "A" stock will be 28th December 1988. After this date, for purposes of certification, the "A" stock will not be distinguished from the existing 3) per cent Transury Stock, 1994. From the opening of business on 3rd January 1989 the "A" stock will be amalgamented with the existing stock.

19. Application forms and copies of this prospectus may be obtained at the Bank of England, New Issues, New Iss

Government statement.

Attention is drawn to the statement issued by Her Majesty's Treesury on 29th May 1985 which explained that, in the interest of the orderly conduct of fiscal policy, neither Her Majesty's Government nor the Bank of England or their respective servants or agents undertake to disclose text changes decided on but not yet announced, even where they may specifically affect the teams on which, or the conditions under which, this Stock is issued or sold by or on behalf of the Government or the Benk; that no responsibility can therefore be accepted for any omission to make such disclosure; and that such omission shall neither render any transaction liable to be set seide nor give rise to any claim for compensation.

ANK OF ENGLAND	
ONDON	
nd August 1988	

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	8½ per cent]	reasury	Stock, 19	<i>)</i> 94
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LONDON STOCK EXCHANGE

Special features in sluggish trading

A BATCH of special features provided what little interest: there was yesterday in other-wise listless UK securities mar-kets already drifting into the summer doldrums, Lacking a clear lead from either foreign exchange markets or Wall Street, UK shares slipped lower without suffering any signifi-cant selling pressure. Govern-ment honds improved, although prices closed off the top after the disclosure of details of a further £750m of so many fund managers are on 1994 stock, to be auctioned

Equity traders insisted that the tone of the share market was still reasonably optimistic. even if turnover was "abso-lutely dreadful" to quote one

Acct	unt Dealing	Dates
That Dealing	Aug 1	Aug 15
Option Decis Jul 28	Aug 11 -	Sep 1
Late Dealing Jul 20	Aug 12	Sep 2
Account Days Aug 8	Aug 22	Sep 12
*Now time do	A	pinge from .

The absence of genuine investment interest left the market vulnerable to relatively minor developments. A misreported deal in Racal shares early in the eession was

lower. Prices tried to rally later but could not hold their bestlevels at the end of the day.

The FT-SE Index, down 10.4 at first, closed with a net fall of

6.7 at 1855.5. Seaq volume of 376.5m compared with 381.7m on the previous day.

With the exception of British Gas, there were few features among the blue chip international favourites. Trade in ICI was encouraged by reports that 60,000 American Depositary Receipts (ADES), representing 240,000 sharee, had been crossed in New York over-

night. Glaxo, however, could

muster turnover of only 237,000

Bank shares remained dull.

reflecting the generally apa- market, the announcement 975 thetic reception from City analysts for last week's batch of an auction of £750m of the interim reports.

In the life assurance sector,
Abbey Life continued to edge

higher on hopes that an overseas bidder may appear. Insur-ance composites also edged foward against the trend of the market as sector analysts recommended the shares. At Smith New Court, Mr Steven Bird suggested that funds "should move to an overweight position" to the composites, on the basis that prospective 1988 yields of over 6 per cent are already discounting the current downturn in the under-

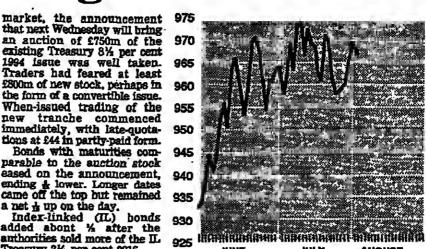
that next Wednesday will bring existing Treasury 8% per cent 1994 issue was well taken. Traders had feared at least £800m of new stock, perhaps in the form of a convertible issue. When-issued trading of the new tranche commenced immediately, with late-quota-tions at £44 in partly-paid form. Bonds with maturities comparable to the auction stock

ending & lower. Longer dates came off the top but remained a net i up on the day. Index-linked (IL) bonds added about % after the anthorities sold more of the IL Treasury 21/4 per cent 2016.

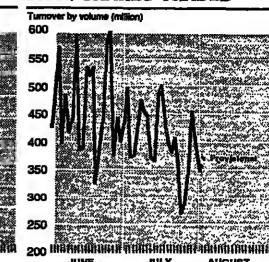
Davy Corporation, reflecting US expansion news, traded firmly at 146p, up 3, while Smiths Industries responded to the US Navy contract for "black boxes" with a rise of 6

minor non operated properties, eased to 124p.





SEAQ SHARES TRADED



Trading error hits Racal

RACAL dropped sharply in early trading after an apparent trade of 5m shares at 323p went through the system, setting off-market rumours that Cable & Wireless had sold its stake in Racal. Although the deal was soon revealed as a mistake - in truth only 50,000 shares at 334p were traded - the downward momentum was maintained until a late recovery brought the shares back to close 3 down at 325p on genuine turnover of around 5m. The C&W rumour

later proved to be unfounded.

The effect of the original error was compounded by the mability of the Stock Exchange to correct the figure given for Racal on the SKAQ running volume total. Marketmakers are increasingly unhappy at the way misreported deals can give the wrong impression about activity in a stock. In this case the repercussions were wider, as dealers blamed the phantom Racal "trade" for briefly turning the market

down in mid-morning Once the fog created by the blunder cleared, Racal recov-ered as marketmakers reacted positively to a series of meetings on Monday hosted by Sir Ernest Harrison, chairman of Racal. Analysis were said to have left the meetings in a bullish mood, impressed by the news that 2,500 new subscribers are signing on to the Vodafone network every week.

Chapter and Vaux

surround regional brewer. volume the shares gave up 13 to 700p as dealers asserted that the Brierley sake had been sold Hotel group Queens Most Houses was mentioned as a possible purchaser. Unusual turnover in the stock last week and on Monday was seen as evidence that Mr Brierley was either adding to, or selling his stake, with broker Kleinwort. Grieveson said in have been dominating trade. The shares ran up strongly on hopes that a bid might be forthcoming? A Mr Paul Nicholson, Vaux chairman, confirmed that "a Section 212 search two weeks ago showed that Mr Birerley had reduced his stake to around 2 per cent, and I think he may have since sold the rest

ক্ষেত্ৰ কৰিছে। ইয়াৰ প্ৰথম বিষয়ে বিষয়ে ইয়াৰ বিষয়ে বিষয়ে বিষয়ে

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of his shares". He added that. Queens Moat was known to hold I per cent of Vaux shares, but was unsure whether a sin-gle buyer had captured the Brierley stake. Late on it was confirmed

a regarded a second of the

stow, QM chairman, said: "We were offered the shares by a broker and took this excellent opportunity in increase our holding in a first-rate company." He said QM presently has no aggressive intentions and added that the stake had been purchased at an average of 650p per share. QM shares fell a penny to 103p as news of the stake reached dealers.

Top spot for Gas

British Gas registered another large turnover, finally amounting to 12m shares, as overseas investors joined the current trading play. Gross-income funds and other sources continued to buy stock cum dividend and sell ex the payment. One particularly big deal involved 3.5m shares late in the session at a price of 185%p cum dividend.

Between bouts of two-way domestic business, however, inquiry developed from further afield. One investment house remarked:"The attractions of the group are gradually being recognised by US and Far Eastern sources". It confirmed interest from American clients, and also believed the Japanese institutions to be net buyers of

stock yesterday. Touche Romnant's agreement to sell Liberty Mintral of the US a 15 per cent stake was not a defensive move said vice-chairman Paul Manduca yesterday. We could have placed the stock anywhere, but aw the clear advantages of Chapter and Vaux

Speculation continued to with \$13bn under manage. ment," he continued.

Mr Manduca's remarks failed

Vaux in which Sir Ron Brier Mr Manduca's remarks failed to convince market traders 28 per cent stake. In moderate who thought the group vulnerwho thought the group vulner-able. Eight quoted TR invest-ment trusts hold the capital of Touche Remnant Holdings (TRH), which has plans to go public with a stock market flo-tation.

international stocks ran into limited profit-taking early on as trading funds reduced their positions. Turnover was again poor, with institutions staying interest as selective. ICI edged
3 better to 1047p as small US
binyers were matched by UK
sellers. Glaxo barely troubled
the system as it fell 5 to 978p. while Unilever ran back 10 to

Amersham International held its annual meeting amid considerable interest, but closed 21 down at 656p as dealers adopted a more realistic position on recent bid hopes. Keen buying was reported at lower levels. Second-line chemical stocks attracted demand with Chemoxy rising 11 to 206p

that Queens Moat had-increased its stake in Vaux to 4.37 per cent. Mr John Rair-stow, QM chairman, said: "We were offered the shares by a broker and took this excellent had been run up in front of the

Redland traded more briskly than other building issues (some 2.6m shares changed hands) as several investment houses recommended the stock because of its income merits. The Redland share price closed

11 higher at 438p.
As a result of a change in the group's year end to 31 December 1988, Redland shareholders will benefit in dividend payments. On this basis BZW rates the shares a significant

income buy and Hoare Govett takes a similar view.

Sears again amassed considerable volume - 10m shares - as dealers reacted sceptically to the Al Fayeds' description of their 10 per cent stake in Sears as a "first-class investment".

Marketmakers regard the stake as still "in play", and Sears eventually closed 5 better at 137p, boosted by renewed speculation that Lord Hanson has his creater at the store of the s his eyes on the stores group.

This was despite an internal

"sell" hote from analysts at County NatWest WoodMac, who have calculated that Sears has a break-up value of only 166p a share, Mr Paul Aynsley believes that there is not enough upside in Sears to attract a hig predator, saying, "any serious bid would have to be pitched around the 175p level, but at that price there would be no change left over once the group was split up".

Empire Stores jumped 8 to 248p on news that La Redoute,

the French mail-order group, has upped its stake in Empire to 24.57per cent. La Redoute first revealed its hand in mid-July, when it snapped up nearly 20 per cent of Empire. Following reports that German mail-order giant Otto Versand is interested in acquiring the Preemans catalogue business from Sears, dealers see La Redonte's stake-building in Empire as a logical step in preparation for the unification of the European market in

In the Government bond

Ward White improved 6 to 300p on rumours - later con-firmed - that Warburg Securities is about to issue a strong "buy" note on the footwear A low volume of trade made

A low volume of trans mass for lacklustre trading in the Building sector. USM quoted Ashtead featured a gain of 15 to 525p as analysts responded favourably to the preliminary figures, while demand in a thin market lifted MJ Glesson 20 to 545p. RM Douglas hardened a few pence to 276p as Govett Strategic Investment Trust increased its stake to 18.36 per cent. J. Maunders, a poor mar-ket since aborted bid discussions, rallied 7 to 113p, but Beazer, still unsettled by recent termination of the Kop-pers chemical deal, met with further selling and fell 5 more to 177p. McCarthy and Stone eased 3 to 421p on the proposal to raise around £19.6m via an

sue of preference shares. Staetley firmed 3 to 338p fol-lowing Spanish acquisition news, while Arneliffe continned to benefit from the good half-yearly results and moved up 7 futher to 208p. Vibroplant were noteworthy for a gain of 15 to 751p in a limited market, but Taylor Woodrow met with occasional profit-taking and eased a few pence more to

Ranks Hovis McDougall fell 6 to 460p in turnover of 1.3m as dealers reflected the belief that Goodman Fielder Wattle will eed with its 465p per share bid. Other Food stocks were generally stale.

TI Group, awaiting tomor-row's interim figures, encoun-tered fresh early support and touched 361p before falling back to 357%p, virtually unchanged on balance. Hoare Govett is forecasting pre-tax profits of £40.2m, but Morgan Grenfell is more conservative with an estimate of £36m.

NEW HIGHS AND LOWS FOR 1988

(8) Ceirsi Group, Helicel Ber, Do. 5.25pc Cv PT 2012, Mountview Esta, Prison Maries Do. 6-2pc Ov Ln 2000-08, TEXTRES (2) Jerome (Holga), Yorkhyde, TRURTE (2) Jerome A. Gen, M. 6. G. Cap, Murray Vanburas Write, TR Pacific Nr Tst., Frost Group, Int. Inv. Tst., Clab (2) ON Group, Royal Dutch, 2006/25 (1) Jesser, Triesto HAMBORY Co Royal Soverelan, Unit Group.

APPOINTMENTS

Hambros expands lending

■ As part of the expansion of its lending services to large corporate customers. HAMBROS BANK has appointed Mr R.N. Darling to the commercial banking division. He has joined as a director from S.G. Warburg & Co. The medium term loan business, currently managed by Mr Tom Boyce within the medium term finance and shipping division, has been transferred to the commercial banking division. Mr Boyce and Mr Darling will be responsible for marketing and transacting their respective services, including the provision of syndicated lending

Mr John Loudon has become a shareholder in and a director of JAMESTOWN INVESTMENTS. He is chairman of Warrior

Mr Charles Morland, deputy managing director of RIGGS
A.P. BANK, has been appointed managing director, succeeding Mr Brian Rowntree on his retirement. Mr Rowntree will continue during his retirement year as an executive director with special duties. The bank is a obsidiary of The Riggs National Bank of Washington.



Mr H.N. Duriting

Tollowing the acquisition of Pentagun Chemicals by CARLESS REFINING AND MARKETING, Dr Peter Inglis, managing director of Pentagon, joins the Carlese board. Mr Denis Windle has been promoted to the Carless board as director of business development. Mr Ken Wiseman, managing director of Carless, and Mr Windle, have joined the board of

■ GEORGE WIMPEY has appointed Mr Richard C.C. Saville as corporate finance executive. He was a director of Morgan Grenfell Securities, in charge of the oil research

a Mr Ian Darke has been appointed managing director of Brensbelag, T&N's friction

Germany. He remains a director of Ferodo.

Mr Rounie Aithen and Mr Graham Errington, directors of Ecobric Holdings, for which ZURICH GROUP is making an offer, will join the Zurich board.

Mr Peter Arneld has been appointed group finance director of KINGSGRANGE. He was with RTZ Corporation where he was finance director of RTZ Metals.

Mr Hugh Thornton, formerly a director of E.F. Matthews & Co and Partish Stockbrokers, has joined WARNE INVESTMENT AND FINANCIAL SERVICES.

Mr Robin Thompson has been appointed group planning director at INCHCAPE. He was with Bockwell International.

Mr Clyve Perkin has been appointed a director of HEWETSON, Hull. He is managing director of Bennett (Windows) which was acquired by Hewetson in December 1987.

Brierley investments has appointed Mr R.H. Matthew to a new post as chief executive - New Zealand, from September 1. He is chief executive of Magnum Corporation, a subsidiary. He also joins the main board.

Mr Bill Simpson has been appointed director of human resources at DAWSON INTERNATIONAL from

October 17. He is divisional director (UK regions) of the Industrial Society.

RUBERY OWEN
ROCKWELL has appointed Mr Helmut Passet as managing director of its West German subsidiary. He was with Rockwell Bremsen, Alzenau, where he was director of

Mr David Thornton has joined the board of MARSHALLS HALIFAX following the acquisition of George Armitage & Sons. He was finance director of Armitage, and will become managing director of the Armitage operation.

Mr Ralph Staniland has been appointed chief manager of NATIONAL WESTMINSTER BANK's Lothbury office, City of London, succeeding Mr Creighton Redman, who becomes managing director of County NatWest Group's finance division. Mr Brian Pay, who succeeds Mr Staniland as chief manager of the 21 Lombard Street office, was senior manager of Mincing Lane branch.

ARC CONSTRUCTION has appointed Mr Tony Digby-Bell as finance director and company secretary. He joins from. Babcock International where he was finance director and company secretary of Babcock Woodall-Duckham. He replaces Mr Cole Jones, who retires on

British Airways continued to claim attention ahead of

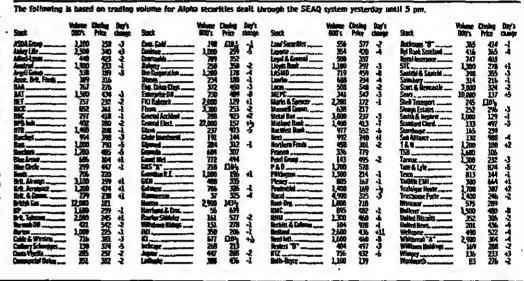
Thurday's first-quarter figures. Around 3.1m shares traded and the price improved afresh to 161p before ending only a penny up on balance at 159p. Lister, the Textile manufacturer, were bought again as stories circulated of an impend-ing property deal in Sheffield. The shares closed 4 higher at 125p. Elsewhere, Jerome rose 6

Declining crude prices meant dull conditions for leading independent oils which failed to recover from an early markdown. Enterprise closed 8 down at 489p while LASMO, restless in the absence of bid developments, settled 8 lower at 459p. Carless Capal drifted back 3 to 116p following the purchase of City Oll Exploraon, whose principal asset is a 10 per cent interest in UK petroleum production licence No. 522 (block 49/3). Clyde Petroleum, which has now dis-posed of all of its US interests with the exception of certain

A total of 28,176 contracts (17,705 calls and 10,471 puts) were reported on a busy day in the Traded Options Market. Star performer was Sears with 3,155 contracts, followed by Racal with 2,741 calls and 584 puts, and Cadburys with 1,723

FINANCIAL TIMES STOCK INDICES July 27 1480.7 1478.8 1926.2 49.4 (18/7/87) (28/6/40) 4.59 11.64 10.47 26,696 1064.62 27,415 4,57 11,56 10,57 19,604 856,30 23,488 • S.E. ACTIVITY Aug 1 July 29 108.4 105.3 Gitt Edged Bargains 5-Osy avarage ● Opening ● 10 am. ● 11 am. ● 12 pm. ● 1 pm. ● 2 pm. ● 3 pm. ● 4 pm. 1493.0 1492.1 1492.1 1490.6 1490.8 1491.1 1492.3 1491.7 Egulty Value 1814.5 London Report and DAY'S HIGH 1493,2 DAY'S LOW 1489.3 latest Share Index: Basis 100 Govt. Secs 15/10/28, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1874, & Nil 10.47

TRADING VOLUME IN MAJOR STOCKS



This announcement eppears as a matter of record only

Management Buy-Out

THE BRICOM GROUP

£359,000,000

SYNDICATED DEBT FACILITIES

Lead managed and arranged by

Standard Chartered Bank

Lead underwriters

Standard Chartered Bank. **Barclays Bank PLC** Crédit Lyonnais

Bank of Scotland Creditanstalt-Bankverein The Royal Bank of Scotland plc

Participants

Bank of Tokyo Group Crédit du Nord, London Branch Den norske Creditbank PLC Generale Bank, London Branch Banco Hispano Americano Limited Kleinwort Benson Limited Midland Bank plc Riggs A P Bank Limited

The Tokai Bank, Limited

Canadian Imperial Bank of Commerce The Dai-Ichi Kangyo Bank, Limited Dresdner Bank AG, London Branch Hill Samuel & Co. Limited The Industrial Bank of Japan, Limited The Long-Term Credit Bank of Japan, Limited **PRIVATbanken Limited** The Sumitomo Bank, Limited

Standard & Chartered

July 1988

COMMODITIES AND AGRICULTURE

Gloomy outlook for grain exports

necessitate the removal from grain production of nearly 50m hectares of land (an area the size of Spain), the International Wheat Council secretariet warns in e sombre report

published yesterday.
It says that the e "profound shift in the structure of the world grains economy" over the last 20 years has resulted in much greater dependence by grain exporting countries on

merkets provided by developing countries. However, such markets could well be in jeopardy if grain prices rise because many developing countries face chronic financial difficulties and would be unable to cope

with higher import bills.

The secretariat adds: "The consequences of the inability on the part of dovoloping countries to finance or handle their increasing requirements would be grave for exporting countries, which would forego the only realistic chance of

S SOYABEAN growers will have to improve the quality of their crop if they are to hold market

share in Jepan, according to Mr Ken Bader, bead of the American Soyhean

He told a conference on

egricultural trade between

Illinois and Japan last week

that higher quality Sonth American produce was threatening to erode US soye-bean sales to its most

Japanese demand for soya-

beans has soared in the last 30

years to 180m bushels, from

just 22m bushels in 1956, when

the ASA first opened a marketing office in Tokyo, Mr Beder said. US growers currently supplied around 89 per cent, but that marked a

slight retreat from a 92 per

cent share a few years ago.
In that time, exports from

Brazil and Argentina had penetrated the Japanese

market, where those countries'

soyabeans were considered to

be cleaner and higher in protein and oil content. "We're going to have difficulty meeting that competition until

we can produce beans at least-cost and with improved

quality," Mr Bader warned. He insisted there should be

some economic incentive built

process to encourage plant

breeders to develop, and farmers to grow, better strains

of soyabeans. "The emphasis has all been on high yields,"

into the soyabean grading from South America.

important customer.

market growth."

It believes, however, that the results "would be disastrous

DECLINING MARKETS for low income importing for grains produced by countries, whose populations industrialised countries could suffer food shortages on e scale surpassing any seen so

far."
The IWC report notes that developing countries, among which it includes China, now of the world's total grains trade compared with less than 40 per cent in the mid 1960s.

This emonnts to e

transformation in the structure of world grain markets which have traditionally boen dominated by the requirements of the industrialised countries, Even at the depressed

internetional prices of the mid-1980s, tho loss developed countries were paying "Inge sums" for their grain imports – over \$14bn in 1986. Should prices roturn to their 1980 levels, "their import bill could

easily exceed \$25bn."
The indebtedness of many such countries makes such e high level of imports highly unlikely but the report notes that while demand will, in all probability, continue to increase, the capecity of the physical infrastructure such as

THE ARGENTINE Economy

Ministry has introduced a 3

per cent tax rehate on exports of soya products, reports Reu-

Mr Beder said, "there is no

incentive to pey much

attention to growing plants

with a higher protein content."
He stressed thet not all

American beans were low in protein, "but the US processors

tend to reach out and grab the

highest quality ones and the rest go for export." If a series of discounts for beans

containing lower protein or oil was built into the grading process, farmers would be

enconraged to npgrade, he argued. That also needed to be

coupled with an educational

process, stressing the need for high quality beans. There was no reason why

high yields, high quality and least-cost could not go hand-in-hand, he said. Even with

higher freight rates between

Latin America and Japan, Argentiua and Brazil were selling better quality beans at a lower price. In fact, Japanese

soya-oil processors had stopped paying e 5 to 7 cents-per-bushel

bremium for higher quality US beans as they could buy the

same strains at a world price

Mr Bader expected current

US exports to Japan — of some 160m bushels (60 lb each) — to

drop by 14m bushels next year

because of higher world prices

ter from Buenos Aires.

US soya growers face quality challenge

Deborah Hargreaves on the threat to Japanese market share

ports and railways in many developing countries will also severely limit higher imports. The IWC notes that demand for grains has grown in developing countries princi-pally because of increasing population and urbanisation,

while the shift to imported grains has often been helped by food subsidios paid hy developing country govern-ments — many of which are finding the cost of such subsidies increasingly difficult to hear

While it notes that there are very considerable regional disparities among developing countries, it predicts that the rate of increase in their total demand will slow to 2.5 per cent e year, compared with the current 4 per cent. The report puts their demand for grain by the year 2000 at 1,272m tonnes compared with 876m tonnes in

Given that production of grains is expected to rise in developing countries, the IWC predicts that they will have a net deficit of 73m tonnes of wheat in the year 2000 (compared with 57m tonnes in

It said the rebate was almed

at correcting distortions created by production and

export incentives in other

and lower quality US beans.

However, in spite of the drought, which is expected to

cut soyabean ontput to anything from 1.3hn to 1.5hn

bushels — 1.9bn is a normal year's crop — the US would continue to be a reliable

Soyabean stocks are forecast

to drop this year to 290m bushels and to 145m bushels

next year. That means supplies will be tight, but there will be

It is not just soyabeans that

suffer from quality problems in Japan, conference delegates were told. Mr Shohei Sakai,

general manager of the agri-marine products division of Marubeni America, explained that US maize often arrived in

a less than clean state. He described how Japanese feed mannfacturers started marketing cleaner Argentine maize to chicken farmers. The higher quality maize darkened

the yolks of the chickens' eggs

and prompted a rise in

get more Argentine maize, but

could not secure a constant

supply, and were forced to turn

back to the US. That under-

lined the US need to improve

LOHDON METAL EXCHANGE

ious High/Low 171.90 10 177.40 17 179.00

The chicken farmers tried to

an adequate crop for export.

supplier, he stressed.

grains (12m tonnes) and 5m tonnes of rice (Im tonnes). Its calculations "suggest that in order to meet projected demand (including domestic demand) in the year 2000,

wheet production in the industrialised countries would need to be only 289m tonnes compared with 304m in 1985 coarse grains output would have to rise to 575m tonnes from 559m tonnes and rice to 34m tonnes from 26m tonnes."

It concludes: "Assuming perhaps conservatively, that grain yields increase at only half the rate achieved between 1975 and 1985, further area reductions will be necessary if stocks are not to build up. The projections imply that wheat areas in the industrialised countries will have to decline by 26m ha to 103m and coarse grains by 20m ha to 143m ha. Rice areas (5m ha) would stay

Long-term Outlook for Grain Imports by Developing Coun-tries; from the International Wheat Council, 28 Haymarket London SWIY 4SS. Price £20 at

quality, Mr Sakai stressed

Otherwise, given the opportunity, end-users would

turn to other sources, US suppliers had not ignored

quality issues and had shown a

willingness to get together with transport companies,

exporters and processors to discuss quality problems, said Mr Darwin Stolte, president of the US Feedgrains Council.

That initiative would have to be translated into regulations

and incentives.

Japanese feedgrain imports had risen to 15.5m tonnes from only 6m tonnes in 1970, Mr Stolte said, with the US

holding 72 per cent of total market share. He projected that by 1995, Japan would be

importing as much as 27m tonnes of grains. The US growers had done

much to improve the quality image of US maize in Japan, he said. But to ensure a quality product was delivered, it was necessary to measure the deterioration of the maize as it

passed through the system, he

believed. We need to get the whole picture and identify

agriculture secretary, stressed that the US would be a firm

agricultural supplier to Japan in spite of this year's drought. "We will not restrict exports to

country," he said. "They may

bave to pay a little more for it

— I'm not promising cheap

prices - bnt we will have

2535-45

1460-5 1397-400

1180-5

691-6

WORLD COMMODITIES PRICES

(Prices supplied by Amalgamated Metal Trading)

1402-3

AM Official Kerb close Open Interest

Ring turnover 475 torne

Filing turnover 13,850 tonne

Ring turnover 42,200 tonne

7.247 lots

48,890 lots

54.517 fots

Ring turnover 0 torne

35 lots

Ring turnover 10,000 cas

522 lots

12,173 lots

Filing turnover 6.650 ton

ample supplies."

where the problems are." Mr Richard Lyng, US

Portuguese grain port plans big expansion

By Diana Smith in Lisbon SILOPOR, PORTUGAL'S year-old grain storage and handling corporation, has launched an ambitious plan to rival Rotterdam as a centre for the transfer of grain and solid animal feeds from large bulk carriers to smaller coastal

The focus of the plan is Silopor's new, fully computer-ised grain terminal at Trafaria on the mouth of the Tagus. which can transfer up to 20,000 tonnes a day of solids directly from large to smaller vessels, or store up to 200,000 tonnes in

Grain trans-shipments began in 1987 to Madeira, the Azores and the Canary Islands. This year Silopor has begun transferring US grain destined for North African ports. It oxpects to handle 500,000 tonnes in 1988 compared with 142,000 tonnes in 1987. Expanded capacity in the coming years will permit Silopor terminals in Trafaria, Beato on the north bank of the Tagus, and Leixoes in the north, to handle over 2.5m

tomes a year.
Geographically Portugal's ports are competitive with northern European ports: they are on the main routes between North or Sonth America, the Mediterranean and heyond. Furthermore Silopor is wooing Spanish grain and animal feed manufacturers associations to use Trafaria or Leixoes for their imports or exports, with the argument that in many cases Portuguese ports are closer to production centres than Spanish ones.

Only with the creation of Silopor, on the break-up of the grain handling and trading monopoly EPAC, obeying the Treaty of Rome which bars state trading monopolies has Portugal made a concerted effort with modern technology, high profile marketing and pruned bureancracy, to compete with sophisticated Rotterdam, at a modest transshipment fee of \$5 a tonne.

> INTERNATIONAL BOURSES

The Financial Times proposes to publish this survey on: 21st September 1988

For a full editorial synopsis and dvertisement details, please course RUTH PINCOMBE

on 01-248 8000 ext 3428 or write to ber at: Bracken House EC4P 4BY

FINANCIAL TIMES

US MARKETS

were the days most active

Chicago and New York grain markets

commodities, reports Drexel Burnham

closed up 67 after trading in 150 point range. Coffee fell again losing over 712

cents. In Chicago, soybean and com futures gained in e choppy dat. Wheat prices slipped 31s in the December

metals prices declined late in the day as the US dollar gained strength. Gold lost 3.30 while silver slipped 7 cents.

Platinum sold off 8% in light volume. In the crude oil markets, late selling from

the trade weakened prices. Sell stops were touched off at the 15.90 level in

the September contract to add to the decline. Local traders also sold off the

down 200 points refelecting the weaks

market due to the upcoming OPEC

talks tomorrow. The CRB index was

energy and metal prices.

contract on less volume. Preclous

Lambert In New York, sugar prices

Coffee prices in free fall COFFEE PRICES went into THE INTERNATIONAL COCOR

tree fall again yesterday in both London and New York as what one dealar described as "the sickness in the market"

returned.
On the London Futures and Options Exchange (Fox) three-month robusts coffee closed almost £100 a tonne down after touching a seven-year low of £380 a tonne, compared with the previous close of £1,020. As happened last week, the

London market opened 240 to 250 lower following a sharp overnight fall in New York, where speculative money is being shaken out. The rapid early fall fed on itself as "stop-loss" selling orders were triggered, dealers said. But late in the afternoon some trade buying emerged, pulling prices off the day's lows.

Analysis and traders agree that the fundamentals of the coffee market have been overtaken by technical factors. The big funds and speculators Organisation (ICCO) yesterday bought 7,610 tomes of cocoa for its buffer stock to replace earlier purchases which contracted traders failed to

contracted traders failed to deliver on time.

The majority of the cocca hought - 7,160 tonnes - was grown in the Ivory Coast, the world's higgest producor, which has been withholding sales because it believes world prices are too low. Cocca prices on London Fox rose in the morning in anticipation of the purchases, but by the close the second position futures contract was back down at £338, only £2 a toune up on the £938, only £2 a tonne up on the

have left the people who really care about the coffee market standing on the sidelines," said

spart as ever. Consumers are seeking extensive reforms to the current pact, which expires at the end of September 1969. Producers do not want to see it changed.

The full ICO Council is to meet for two weeks from September 19 to discuss next year's quotas and the shape of the next pact. But after last week's inconclusive talks, traders doubt that it will be able to solve the ICO's many The fall can be traced back to last week's cut in problems.

Brokers disagree about copper

By Kenneth Gooding, Mining Correspondent

views of the future for copper are presented by the latest reports on the industry by stockbrokers W.I. Carr and rivals Shearson Lehman

Carr states: "What we have seen so far is merely the first stage of a secular bull market which will carry the copper price much higher, faster and for longer than most industry observers, participants and portfolio managers dare even

dream.
"We are potentially facing similar to market conditions similar to those prevailing in the 1964-1974 period when, despite volatile fluctuations, the real price of copper averaged \$1.80 a

In contrast, Shearsons believes there is considerable scope for the copper price to fall. It suggests, however, that stocks are so low that there is no question, for the forseeable future, of the price reverting to the 55 cents to 65 cents a lb seen during the recession.

But Shearsons forecasts an average price of 91 cents a lb for the second half of this year, compared with 105.4 cents in

TWO SHARPLY contrasting the first six months, implying an average of 98 cents for the year as a whole. In 1989 the average is predicted to tall to 80 cents.

Both brokers base their price predictions on their views of potential supply and demand. Shearsons expects a small.
Shearsons expects a small surplus in 1988 followed by a much larger one in 1989.
Carr says the entire weight of the argument for or against a potentially higher copper

price is on the production side the equation.
"For our estimate of

consumption to be satisfied, mine production will have to rise by almost 550,000 tonnes this year," it says. The probability of this happening is near zero." It points to the forecast by

the International Wrought LIME WARMINGHOUSE STOCKS (Change during week anded last Friday) lannes

loken standard -5,050 to 58,375 hintum high grade -700 to \$1,775 per Grade A +2,900 to 119,075 +1,150 to 66,250 Silver (oz), +80,000 to 14,924,000

Copper Council, that 1968 min output would rise by about 350,000 tonnes. "This association has a history of overestimating production, Carr comments.

the International Coffee Organisation's world export quota, which now stands at 51.5m bags. The cut—the last possible in the current coffee yeer—had been fully discounted by the market, so anyone who was holding a long position in the hope of a price who had to get out out the

rise had to get out quickly.
In addition, talks last week

between producers and consumers at the ICO's

Technical Preparatory Group

ended with both sides as far apart as ever. Consumers are

Furthermore, there have been recent statements from Zambia and the Philippines and reports from Zaire which indicate that production has fallen significantly. "Such declines were not anticipated hy the IWCC."

Floods damage Chinese crops

MAIZE, POTATO and soyabean crops in southeast China's Zhejiang province will be sharply reduced following weekend flash floods, officials and aid workers said, reports Renter from Peking.

Cash crops such as cotton, flow replications and could be such as cotton.

flax, mulberry, tea and fruit trees were also seriously affected.

The floods swamped 730,000. hectares of parched farmland and destroyed roads, bridges, reservoirs, communications and power lines.

WEEKLY METALS PRICES

All prices as supplied by Metal Bulletin (last week's prices in brackets).
ANTIMONY: European free

market 99.6 per cent, \$ per in wa tonne, in warehouse, 2,035-2,080 6.95).

market, min. 99.99 per cent, \$ per lb, tonne lots in warehouse, 5.35-5.50 (same).

CADMIUM: European free market, min. 99.5 per cent, \$. per Ib, in warehouse, ingots

7.80-8.00 (7.90-8.10), sticks 7.80-8.00 (7.90-8.10). COBALT: European free market, 99.5 per cent, \$ per lb, in warehouse, 6.80-7.00 (6.70-6.95).

MERCURY: European free BISMUTH: European free market, min. 99.99 per cent, \$ per 76 lb flask, in warehouse,

MOLYBDENUM: European free market, drummed molybdic oxide, \$ per lb Mo, in warehouse, 3.40-3.50 (same).

SELENIUM: European free market, min 99.5 per cent, \$ per lh, in warehouse, 9.65-9.80

(same). TUNGSTEN ORE: European free market, standard min. 65 per cent, \$ per tonne unit (10 kg) WO, cif, 49-57 (48-56).
VANADIUM: European free market, min. 98 per cent, VO,

cif. 4.90-5.30 (4.50-5.10). URANIUM: Nnexco exchange value, \$ per lb, UO, 15.10 (same).

LONDON MARKETS BASE METAL contracts denominated I

sterling on the LME were buoyed by the pound's weakness egainst the dollar vesterday. The biggest gainer was lead, which rose in the afternoon on mixed buying and shortcovering. Three-month metal closed just above £350 a tonne, a rise of £7. The firm lead merket also helped zinc prices Copper prices closed slightly aheed in spite of touching two-month lows early recovery on Comex egainst the background of weaker sterling triggered some ganeral covering. Gold bullion closed a fraction lower in very thin trade. Light professional selling reflected the anti-infletionary impact of lower crude oll prices, dealers said. A the Baltic Futures Exchange, soymeai futures advanced, but closed below the day'o highs efter erratic movement in

SPOT MARKETS		
Crude oil (per barrel FOB S	September)	+ or -
Oubel	\$13.50-3.60y	-0.20
Brent Blend	\$15.35-5.452	
W.T.I. (1 pm est)	\$15.85-5.90y	
	*10.00	
Olf products		
(MWE prompt delivery per	tonne CIF)	
		+ or -
Premium Gasolina	\$181-183	
Gas Oli	\$134-136	-1
Hoevy Fuel Oil	S68-7D	-1
Naphtha	\$141-143	
Petroleum Argus Estimates	·	
Other		+ or -
Gold (per troy oz)	\$433.25	-0.50
Silver (per troy ozi-	663c	
Pletinum (per troy oz)	\$522.50	-4.50
Palladium (per troy oz)	\$122.25	-3.25
	\$2605.0	-7.5
Aluminium (tree market) Copper (US Producer)	1015g-102c	-1,5
Lead (US Producer)	36c	2
Nickel (free market)	635c	-70
Tin (European free market)	£4310	+1-
Tin (Kuala Lumpur market)	19.16r	+0.06
Tin (New York)	342.00c	+ 3.76
Zinc (Euro. Prod. Price)	\$1200	
Zino (US Prime Western)	65%c	
Cattle (live weight)?	116.96p	$+1.86^{\circ}$
Sheep (dead weight)	211.78p	+25.5
Pigs (live weight)†	69.85p	+1.90*
London daliy sugar (raw)	\$306.0x	-34
London daily sugar (white)	\$280x	-7
Tate and Lyle export price	C289	-3
Barley (English feed)	£101.5z	-0.5
Maize (US No. 3 yellow)	£143.5w	
Wheet (US Dark Northern)	unq	
	75.250	-0.50
Rubber (spot)♥ Rubber (Sep)♥		-0.50
Rubber (Oct)		-0.50
Rubber (KL RSS No 1 Aug)	348.5m	-0.5
Coconut oil (Philippines)5	\$620x	+20
Paim Oil (Malaysian)	\$472.5s	. 20
Copra (Philippines)S	\$425	
Sovabeana (US)	\$202w	+ 18
Cotton "A" Index		0.50
Wooltops (64s Super)	650p	
	stated a sec	www.
E a tonne unless otherwise c-cents/lb, r-ringglt/kg, z-	STRICT D-box	~~~

	E/tonne		
	Close	Previous	High/Low
Sep Dec	935 938	934 936	.949 933 944 930
Mar	940	942	946 932
May Jul	953 970	956 971	959 946 972 966
Sep	967	969	990 980
Dec	1030	1030	1028 1010
Turnov	er: 3991 (3674) lots o	f 10 tonnes
price fo	or Aug 1;	1183.26 (11	ts per tonne]. Call 98.32) :10 dey avec 8.30] .
		212.77 (121	8.30 .
COFFE	E C/tonne		
	Close	Previous	High/Low
Sep Nov	906	1012	977 675 984 880
Jen	950	1020	990 900
Mer	950 934	1030 1035	993 905 1001 950
May Jiy	970	1040	1000 ,965
_	ar: 8886 (2066) lots o	
ICCO H	idicator p	rices (US c	cents per pound) fo (109-21); . 10 de
Aug 1	:Comp. (113.03 (ially 105.89	(109-21); . 10 da
_	(\$ per to		
Raw	Close	Previous	High/Low
			275.00 243.00
Oct Dec	277.00	254.80 252.00	278.00 243.00
Mar	256.00	243.80	255.00 230.00
Mey Aug	252.00	239.40 234.00	237.00 230.00 232.00 231.40
Oct	247.00	230.00	22.00
White	Close	Previous	High/Low
Oct	290.00	279.00	290.00 251.00
Dec Mar	206.00	277.00	271.00 257.00
		775 00	274 00 281 00
	286.00	275.00 275.00	274.00 281.00
May Aug	285.00 285.00	275.00 276.00	274.00 281.00 271.00 268.00
May Aug Oct	285.00 285.00 285.00	275.00 276.00 276.00	271.00 268.00
May Aug Oct Turnove	285.00 285.00 285.00	275.00 276.00 276.00 5545 (4423)	271.00 268.00 lots of 50 tonnes
May Aug Oct Turnove White 1 Paris- Y	285.00 285.00 285.00 er: Raw 4 472 (1345 White (FFr	275.00 276.00 276.00 5545 (4423)) . per tonne):	271.00 268.00 lots of 50 tonnes Oct 1690, Dec 1680
May Aug Oct Turnove White 1 Paris- Y Mar 168	285.00 285.00 285.00 er: Raw 4 472 (1345 White (FFr 80. May 1	275.00 276.00 276.00 5545 (4423)) . per tonne):	271.00 268.00 lots of 50 tonnes
May Aug Oct Turnove White 1 Paris- Y Mar 168	266.00 285.00 285.00 er: Plaw : 472 (1345 White (FFr 90. May 1 L \$/torine	275.00 276.00 276.00 5545 (4423)) . per tonne): 685, Aug 16	271.00 268.00 lots of 50 tonnes Oct 1690, Dec 1680 90 Oct 1695
May Aug Oct Turnove White 1 Paris- Y Mar 188 QAS Of	285.00 285.00 285.00 285.00 sr: Raw : 472 (1345 White (FFr 30. May 1 L \$/tonne	275.00 278.00 278.00 5545 (4423)) . per tonne): 685, Aug 16	271.00 268.00 lots of 50 tonnes Oct 1690, Dec 1680 190 Oct 1696 High/Low
May Aug Oct Turnove White 1 Paris- Y Mar 160 QAS Of	266.00 285.00 285.00 er: Plaw : 472 (1345 White (FFr 90. May 1 L \$/torine	275.00 278.00 278.00 278.00 5645 (4423)) . per tonne): 685, Aug 18 Previous	271.00 268.00 lots of 50 tonnes Oct 1690, Dec 1690 190 Oct 1695 High/Low 136.00 134.50 138.25 135.00
May Aug Oct Turnove White 1 Paris- Y Mar 16t GAS Of Aug Sep Oct	286.00 285.00 285.00 285.00 3r: Raw 3 472 (1345 White (FFr 30. May 1 L \$/tonne Close 135.25 135.76 137.25	275.00 278.00 278.00 276.00 5545 (4423) } . per torme): 685, Aug 16 Previous 136.60 138.75	271.00 268.00 lots of 50 tonnes Oct 1690, Dec 1680 90 Oct 1695 High/Low 136.00 134.50 136.25 135.05
May Aug Oct Turnove White 1 Paris- Y Mar 16t GAS Of Aug Sep Oct Nov	286.00 285.00 285.00 285.00 37. Raw 8 472 (1345 White (FFr 30. May 1 L \$/torine Close 135.25 136.76 137.25 138.75	275.00 278.00 278.00 5645 (4423)) . per torme): 685, Aug 16 Previous 138.60 138.76 138.50 139.75	271.00 268.00 lots of 50 tonnes Oct 1690, Dec 1680 90 Oct 1695 High/Low 136.00 134.50 136.25 135.05
May Aug Oct Turnove White 1 Paris- Y Mar 168	286.00 285.00 285.00 285.00 3r: Raw 3 472 (1345 White (FFr 30. May 1 L \$/tonne Close 135.25 135.76 137.25	275.00 278.00 278.00 276.00 5545 (4423) } . per torme): 685, Aug 16 Previous 136.60 138.75	271.00 268.00 lots of 50 tonnes Oct 1690, Dec 1690 190 Oct 1695 High/Low 136.00 134.50 138.25 135.00
May Aug Oct Turnove White 1 Paris- Y Mar 188 GAS Of Aug Sep Oct Nov Dec	285.00 285.00 285.00 287. Plaw 1 472 (1345) Vinite (FFr 80. May 1 L S/torine Close 135.25 135.75 137.25 138.25 138.25	275.00 278.00 278.00 278.00 5545 (4423)) - per torme): 685, Aug 16 Previous 136.60 138.75 138.75 140.25 139.25	271.00 268.00 lots of 50 tonnes Cot 1690, Dec 1680 190 Oct 1695 High/Low 136.00 134.50 136.25 135.00 137.50 136.25 138.00 137.00 139.50 138.25
May Aug Oct Turnove White 1 Paris- Y Mar 16t GAS Of Sep Oct Nov Dec Jen	285.00 285.00 285.00 287. Plaw 1 472 (1345) Vinite (FFr 80. May 1 L S/torine Close 135.25 135.75 137.25 138.25 138.25	275.00 278.00 278.00 278.00 5545 (4423)) - per torme): 685, Aug 16 Previous 136.60 138.75 138.75 140.25 139.25	271.00 268.00 lots of 50 tennes Cot 1690, Dec 1680 180 Oct 1695 High/Low 136.00 134.50 136.25 135.00 137.50 136.25 138.00 137.00 139.50 138.25 138.75 138.00
May Aug Oct Turnove White 1 Paris- Y Mar 16t GAS Of Sep Oct Nov Dec Jen	285.00 285.00 285.00 37. Raw ! 472 (1345 White (FFr 50. May 1 L S/torme 135.25 136.75 137.25 138.75 138.25 138.25	275.00 278.00 278.00 278.00 5545 (4423)) - per torme): 685, Aug 16 Previous 136.60 138.75 138.75 140.25 139.25	271.00 268.00 lots of 50 tennes Cot 1690, Dec 1680 180 Oct 1695 High/Low 136.00 134.50 136.25 135.00 137.50 136.25 138.00 137.00 139.50 138.25 138.75 138.00
May Aug Oct Turnove White 1 Paris- Y Mar 16t GAS 0t Aug Sep Oct Nov Dec Jen Turnove GRAINE	285.00 285.00 285.00 sr: Raw ! 472 (1345 472 (1345 472 (1345 472 (1345 472 (1345 135.25 135.25 135.25 135.25 136.75 138.25 or 3256 (4 5 £/lonne 103.90	275.00 276.00 276.00 5545 (4423)) - per tonne): 665, Aug 16 - Previous 136.50 136.75 138.50 138.75 140.25 139.25 464 lots of	271.00 268.00 lots of 50 tonnes Cot 1690, Dec 1680 190 Cot 1696 High/Low 138.25 135.00 137.50 138.25 139.50 138.25 139.50 138.25 139.50 138.25 139.50 138.25
May Aug Oct Turnove White 1 Paris- Y Mar 16t GAS Of Sep Oct Nov Dec Jan Turnove GRAINE Wheat	285.00 285.00 285.00 3r: Raw ! 472 (1345 472 (1345 472 (1345 472 (1345 135.25 135.75 135.75 138.75 138.75 138.00 138.25 138.00 138.25 138.00 100.25	275.00 278.00 278.00 278.00 5545 (4423)) - per torme): 685, Aug 16 Previous 136.60 138.75 139.75 140.25 139.25 464 lots of	271.00 268.00 lots of 50 tonnes Cot 1690, Dec 1680 190 Cot 1696 High/Low 138.25 135.00 137.50 138.25 139.50 138.25 139.50 138.25 139.50 138.25 139.50 138.25
May Aug Oct Turnove White 1 Paris- Y Mar 188 GAS Of Oct Nov Dec Jen Vy Jen Wheet Washiel Washiel Washiel Washiel Washiel Washiel	285.00 285.00 285.00 37: Raw 1 472 (1345 White (FF: 80. May 1 L \$/tonne Close 135.25 138.75 138.00 138.25 or 3258 (4 12/tonne Close 100.25 100.25 100.20 110.25 100.20	275.00 278.00 278.00 278.00 5545 (4423)) - per torme): 685, Aug 16 136.50 138.75 140.25 139.25 140.25 140.25 105.60 107.25 110.20	271.00 268.00 lots of 50 tonnes Cct 1690, Dec 1680 190 Oct 1696 High/Low 136.00 134.50 138.25 138.00 137.50 136.25 139.00 137.00 139.50 136.25 139.50 138.00 100 tonnes High/Low 104.75 103.90 107.00 106.25 109.50 100.20 112.35 111.00
May Aug Oct Turnove White 1 Paris- V Mar 16t GAS Of Oct Nov Oc	285.00 285.00 285.00 285.00 272 (132) 472 (132) 472 (132) 100.00 135.25 135.75 137.25 138.25	275.00 278.00 278.00 278.00 5545 (4423)) - per torme); 685, Aug 16 138.50 138.75 138.75 140.25 140.25 140.25 140.25 110.20 110.20 112.60 115.50	271.00 268.00 lots of 50 tennes Oct 1690, Dec 1680 80 Oct 1696 High/Low 136.00 134.50 136.25 135.00 137.50 136.25 139.00 137.00 139.50 138.25 138.75 138.00 100 tennes High/Low 104.75 103.90 107.00 106.25 109.50 100.25 112.35 111.60 115.00 114.50
May Aug Oct Turnove White 1 Paris- Y Mar 188 GAS Of Oct Nov Dec Jen Vy Jen Wheet Washiel Washiel Washiel Washiel Washiel Washiel	285.00 285.00 285.00 285.00 287. Plant 1 472 (135.25 105.75 137.25 138.25	275.00 278.00 278.00 278.00 5545 (4423)) - per torme): 685, Aug 16 136.50 138.75 140.25 139.25 140.25 140.25 105.60 107.25 110.20	271.00 265.00 lots of 50 tennes Oct 1690, Dec 1680 80 Oct 1696 High/Low 136.00 134.50 136.25 135.00 137.50 136.25 138.00 137.00 138.50 138.25 138.00 137.00 138.50 138.25 138.75 138.00 100 tennes High/Low 104.76 103.90 107.00 106.25 109.80 100.20 112.35 111.60 115.00 114.50 High/Low
May Aug Cot Turnove White 1 Paris- Y Mar 16t GAS Of Aug Sep Oct Dec Jan Turnove GRAINS Wheat Sep Nov Jan Mar	285.00 285.00 285.00 sr: Flaw ! 472 (1345 White (FF- 90, May 1 L Shorme 135.25 135.25 135.25 136.25	275.00 276.00 276.00 276.00 5545 (4423)) - per torme): 685, Aug 16 136.50 138.75 140.25 139.25 464 lots of Previous 105.60 107.25 110.20 112.60 115.50 Previous	271.00 268.00 lots of 50 tonnes Oct 1690, Dec 1690 190.00 1696 High/Low 136.00 134.50 138.25 135.00 137.50 136.25 138.00 139.50 138.25 138.00 100 tonnes High/Low 104.76 103.90 107.00 106.25 109.80 100.20 112.35 111.60 115.00 114.50 High/Low
May Aug Aug Cot Turnove White 1 Paris V Mar 16 GAS Of Cot	285.00 285.00 285.00 285.00 285.00 287: Paw 472 (1345 White (FF- 30. May 1 L Shorme 135.25 136.75 137.25 138.25 13	275.00 276.00 276.00 276.00 5545 (4423)) - per torme): 685, Aug 16 136.50 138.75 140.25 139.75 140.25 139.25 464 lots of Previous 105.60 107.25 110.20 112.60 112.60 103.50 100.60 100.60	271.00 268.00 lots of 50 tennes Cct 1690, Dec 1680 90 Cct 1696 High/Low 136.00 134.50 136.25 133.00 137.50 136.25 138.00 137.00 138.50 138.25 138.00 100 tennes High/Low 104.75 103.90 107.00 106.25 109.80 100.20 112.35 111.90 116.00 114.50 High/Low 100.40 100.30 103.60 103.00 103.00 106.10
May Aug Oct Turnove White 1 Paris- Y Mar 16t GAS Of Oct Aug GAS Of Oct Aug GAS Of Oct Doc Jan Yurnove GRAINE Wheat Sep Nov Jan Mar May Barley Sep Nov Jan Mar May Mar May Mar	285.00 285.00 285.00 37: Raw 1 472 (1345 White (FF- 50, May 1 L \$/tonne 135.25 135.75 137.25 138.25 47 3258 (4 \$/tonne Close 136.25 138	275.00 278.00 278.00 278.00 5545 (4423) } - per tonne): 685, Aug 16 136.50 136.75 139.25 140.25 139.25 140.25 140.25 110.50 107.25 110.20 115.50 Previous 100.80 100.80	271.00 268.00 lots of 50 tennes Cot 1690, Dec 1690 190 Cot 1696 High/Low 136.00 134.50 138.25 133.00 137.50 136.25 138.00 138.25 138.00 138.25 138.00 109.00 138.25 138.00 100 tennes High/Low 104.76 103.90 107.00 106.25 109.80 100.20 112.35 111.60 114.50 High/Low 104.00 104.00 105.25 108.00 106.00 108.10 106.76 108.10
May Aug Aug Oct Turnove White 1 Paris- Y Mar 188 Ol Oct	285.00 285.00 285.00 285.00 287. Flaw 472 (135.25 30. May 1 L \$/torine Close 135.25 135.75 137.25 138.25	275.00 276.00 276.00 276.00 5545 (4423)) - per torme): 665, Aug 16 136.60 136.75 138.75 140.25 139.25 464 lots of Previous 105.50 107.25 110.20 112.60 115.50 Previous 100.80 100.80 100.80 100.80 110.60	271.00 268.00 lots of 50 tennes Oct 1690, Dec 1680 80 Oct 1696 High/Low 136.00 134.50 136.25 135.00 137.50 136.25 139.00 137.00 139.50 138.25 138.75 138.00 100 tennes High/Low 104.75 103.90 107.00 106.25 108.60 100.25 112.35 111.60 115.00 114.50 High/Low 104.0 100.30 105.50 103.90 106.76 106.15 106.75 106.15
May Aug Cot Turnove White 1 Paris- Years 16 GAS Of Cot Aug Sep Oct Jen Turnove GRAINS Whent Sep Nov Jen Mar	285.00 285.00 285.00 285.00 285.00 287: Plaw (472 (1345) 472 (1345) 472 (1345) 472 (1345) 472 (1345) 472 (1345) 472 (1345) 472 (1345) 472 (1345) 472 (1345) 472 (1345) 473 (1345) 473 (1345) 474 (1345) 475 (1345	275.00 276.00 276.00 276.00 5645 (4423)) - per torme): 685, Aug 16 136.50 138.75 140.25 139.75 140.25 139.25 464 lots of Previous 105.60 107.25 110.20 112.60 112.60 100.60 100.60 100.60 100.60 100.60 100.60 100.60 100.60	271.00 268.00 lots of 50 tonnes Cot 1690, Dec 1690 190 Cot 1696 High/Low 138.00 134.50 138.25 135.00 137.50 138.25 138.00 138.25 138.00 138.25 138.00 137.50 138.25 138.00 100 tonnes High/Low 104.76 103.90 107.00 105.25 109.80 109.80 112.35 111.60 115.00 114.50 High/Low 100.40 100.30 103.50 108.00 108.00 108.10 108.76 108.10
May Aug Oct Turnove White 1 Paris-Ye Mar 16t GAS Of Aug Sep Oct Dec Jan Nov Dec Jan Mar May Mar Mar Mar Mar Mar Mar Mar Mar	285.00 285.00 285.00 285.00 285.00 287: Plaw (472 (1345) 472 (1345) 472 (1345) 472 (1345) 472 (1345) 472 (1345) 472 (1345) 472 (1345) 472 (1345) 472 (1345) 472 (1345) 473 (1345) 473 (1345) 474 (1345) 475 (1345	275.00 278.00 278.00 278.00 5645 (4423)) - per torme): 685, Aug 16 138.50 138.75 140.25 139.75 140.25 139.25 464 lots of Previous 105.60 107.25 110.20 112.60 112.60 103.50 100.80 100.80 100.80 100.80 100.80 100.80 100.80	271.00 268.00 lots of 50 tennes Oct 1690, Dec 1680 80 Oct 1696 High/Low 136.00 134.50 136.25 135.00 137.50 136.25 139.00 137.00 139.50 138.25 138.75 138.00 100 tennes High/Low 104.75 103.90 107.00 106.25 108.60 100.25 112.35 111.60 115.00 114.50 High/Low 104.0 100.30 105.50 103.90 106.76 106.15 106.75 106.15
May Aug Oct Turnove White 1 Paris-Ye Mar 16t GAS Of Aug Sep Oct Dec Jan Nov Dec Jan Mar May Mar Mar Mar Mar Mar Mar Mar Mar	285.00 285.00 285.00 285.00 285.00 287: Paw 472 (1345 White (FF- 90. May 1 L Shorme 135.25 136.75 139.00 135.25 138.25 13	275.00 278.00 278.00 278.00 5645 (4423)) - per torme): 685, Aug 16 138.50 138.75 140.25 139.75 140.25 139.25 464 lots of Previous 105.60 107.25 110.20 112.60 112.60 103.50 100.80 100.80 100.80 100.80 100.80 100.80 100.80	271.00 268.00 lots of 50 tennes Oct 1690, Dec 1680 80 Oct 1696 High/Low 136.00 134.50 136.25 135.00 137.50 136.25 139.00 137.00 139.50 138.25 138.75 138.00 100 tennes High/Low 104.75 103.90 107.00 106.25 108.90 100.25 112.35 111.80 115.00 114.50 High/Low 104.0 100.30 105.50 103.90 106.76 108.10 106.76 108.15 110.75
May Aug Aug Cot Turnove White 1 Paris - Y Mar 16t GAS Of Aug Sep Oct Dec Jan Nov Dec Jan Mar Mary Barley Sep Nov Jen Mar Mary Mar	285.00 285.00 285.00 285.00 285.00 287: Raw ! 472 (1345 White (FF- 90. May 1 L Shorme 135.25 135.25 135.25 136.00 138.25 136.25 136.00 138.25 136.75 139.00 138.25 136.75 139.00 138.25 136.75 139.00 138.25 138.75 139.00 138.25 138.75 139.00 138.25 138.75 139.00 138.25 138.75 139.00 138.25 138.75 139.00 138.25 138.75 139.00 138.25 139.00 138.25 139.00 100.25 100.25 100.25 100.75 110.75	275.00 278.00 278.00 278.00 5645 (4423)) - per torme): 665, Aug 16 138.50 138.75 140.25 139.75 140.25 140.25 197.25 112.80 112.80 112.80 105.50 100.80 100.80 100.80 110.80 110.80 110.80 110.80 110.80 110.80 110.80 110.80	271.00 268.00 lots of 50 tennes Oct 1690, Dec 1690 190 Cct 1696 Hight/Low 138.00 134.50 138.25 133.00 137.50 138.25 138.00 137.00 139.50 138.25 138.01 138.00 100 tennes Hight/Low 104.75 103.90 107.00 106.25 108.30 100.20 112.35 111.60 116.00 114.50 Hight/Low 100.40 100.30 103.60 103.90 100.40 100.30 103.60 103.90 106.00 106.10 106.75 108.10
May Aug Oct Turnove White 1 Paris-Ye Mar 16t GAS Of Aug Sep Oct Dec Jan Nov Dec Jan Mar May Mar Mar Mar Mar Mar Mar Mar Mar	285.00 285.00 285.00 285.00 287: Raw ! 472 (1345 White (FF- 30, May 1 L \$/torme 135.25 135.25 135.25 135.25 136.75	275.00 278.00 278.00 278.00 5645 (4423)) - per tonne): 665, Aug 16 138.50 138.50 139.75 140.25 139.25 140.25 139.25 140.25 139.25 100.50 107.25 112.60 115.50 100.80 103.50 100.80 110.80 110.80 110.80 110.80 110.80 110.80	271.00 268.00 lots of 50 tennes Oct 1690, Dec 1690 190 Oct 1696 High/Low 138.00 134.50 138.25 133.00 137.50 136.25 138.03 137.00 138.05 138.25 138.00 100 tennes High/Low 104.75 103.90 107.00 106.25 108.80 100.20 112.35 111.60 115.00 114.50 High/Low 103.50 103.00 108.76 108.10 108.76 108.10 108.76 108.10 108.77 108.10 108.77 108.10 108.77 108.10 108.77 108.10 108.77 108.10 108.77 108.10 108.77 108.10 108.77 108.10 108.77 108.10

		Close	9	revious
	Abumini	lum, 98.7	% purity (\$	per tonne)
	Cash	2515		640-60
	3 mont			545-75
			purity (E p	
	S monti	1470-		470-6 405-6
. Daffy	Copper	Grade A	(I per torn	ie)
y aver-	Cash 3 monti	1219- 1225-		214-6 219-20
	Copper	Standard	(C per tore	ne)
	Cash 3 monti	1180- ts 1180-		170-80 170-80
	Silver (US cents/	line ounce)	
	Cash 3 monti	679-6 1 593-6		79-82 83-6
	2) beed	per tome	9)	
ind) for 10 day	Cash 3 monti	346-8 15 350-1		35-40 43-4
	Nickel (S per tone	10)	
	Cash 3 month	14200 13000		3950-4050 3500-60
20	Zinc (£	per tanne	,	
10	Cash 3 month	719-2 13 709-1		15-6 05-6
10 10				
0				
10	SOYAB	EAN MEA	L Etonne	
_		Close	Previous	High/Lon
Ю	Oct	170.30	188.00	171.90 1
bonnes.	Dec Feb	175.50 180.00	173.50 175.50	177.40 T
	Apr	180.00	176.50	
C 1680,			5) lots of 2	
	FREIGH	_	E8 \$10/Inde	-
		Closs	Previous	High/Lov
iO	Aug Sep	1242	1245	1243 124 1318 130
5	Oct	1307	1418	1409 130
-	len	1476	4442	449E 448

r	950	1030	993 906
y	934 970	1035 1040	1001 950 1000 ,965
nov	or: 8896 (2088) lats d	of 5 tonnes
D IF	Comp.	rices (US o	cents per pound) for (109-21); 10 day
	113.03 ((10021), 1 10 029
OAR	(\$ per to	nne)	
	Close	Previous	High/Low
1	277.00	264.80	278.00 243.00
-	266.00	252.00	**** *** ****
y	256.00 252.00	243.80	255.00 230.00 237.00 230.00
ó	249.00	234.00	232.00 231.40
	247.00	230.00	
ite	Close	Previous	High/Low
	290.00	279.00	290.00 251.00
r	286.00 286.00	277.00 275.00	271.00 257.00 274.00 261.00
y	206.00	275.00	214.00 201.00
í	285.00	276.00	271.00 268.00
	285.00	276.00	
nove	T. Raw	5545 (4423)	lots of 50 tonnes.
ia- V	hite (FF:	per tome):	Oct 1690, Dec 1680,
186	0. May 1	685, Aug 16	990 Oct 1695
5 OI	L S/torme		
	Close	Previous	High/Low
7	135.25	136.60	136.00 134.50
•	135.76	196.76	138.25 135.00
,	137.25	138.50 139.75	137.50 136.25 139.00 137.00 139.50 138.25
	138.75 139.00	140.25	139.50 138.25
•	138.25	139.25	138.75 138.00
_		464 lots of	100 tonnes
AINS	£/sonne		
eat	Close	Previous	High/Low
,	103.90	105.60	104.76 103.90
•	106.25	107.25 110.20	107.00 106.25 109.80 100.20
-	111.80	112.60	112.35 111.60
,	114.60	115.50	115.00 114.50
ley	Close	Previous	High/Low
•	100.40	100.60	100.40 100.30
•	103.50 106.60	103.50	105.50 103.00 106.00 106.10
r	108.76	100.60	106.76 108.15
	110.75	110.60	110.75
nove	r; Wheat r icts of	566 (433) , 100 tonnes.	Barley 168 (201) .
ATC	ES £/ton	10	
	Close	Previous	High/Low
_	75.0	75.0	75.0 74.0
1	88.0	87.0	
,	106.5 117.0	104.3 115.0	108-5 105.0 117.0
_		6) lots of 4	

	3 mon	the 122	5-6
	Сорре	r, Stande	3) br
_	Cash 3 mon	1184 ths 1184	
		(US centr	
	Cesh	679	-82
	3 mon		
_		E per tom 346-	_
for day	Cash 3 mon		
- GEJ	Nickul	(\$ per to	rie)
	Cash		X0-3XX
	3 mont	per tonn	20-700
	Cash	719	
	3 mont		
—			
	SOYA	SEAN NE	AL E
		Close	Pr
	Oct	170.30 175.50	18
ines.	Feb	180.00	17
1680,	Apr	180.00 er 732 (1	
1000,		HT FUTU	•
=		Close	Pr
_	Aug	1242	12
	Oct	1308	13
	Jan	1435	14
	Apr BF1	1457 1192	11
_	Turnoy	er 168 (2	05)
—			
_			
_			
—	COTT	ON BOOL SOO	t and
	wook	ended Ju	ly 29
	Tradic	ended Ju at 856 tor ng was of	a fal
		ing Israe	
١) .			
	1		
—	JUTE		
—	C and	1 Dunder BWD \$42	BTC
	- Sec.	-mp 342	J, C B

week end against & Trading w various o	Spot and shipment sales for the ed July 29 amounted to 918 tonnes 55 tonnes in the previous week. ras of a fairly high quantity with ountries involved in sales loraell, West African and Mexican.
\$430, BWI	undee BTC \$495, BWC \$485, BTD D \$425; e and 1 Antwerp BTC \$485, I, BWD \$405, BTD \$415.

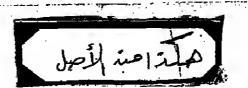
		Hung tu	mover 1,062 tonne
14300 13700/13850	13800-50 13330-60	13550-800	6,480 tota
		Ring turn	tover 10,425 tores
710.5/710 713/701	710-0.5 700-1	710-2	22,745 lots
	СОНДОН В	LLICH MARKE	π
	Gold (fine az)	\$ price	2 aquivalent
.00	Close	453-433 12	253-253 2
.00	Opening	435-43512	25212-253
	Morning fix Afternoon fix	432.9	251.82 252.553
	Day's high	435-435 %	
	Day's low	432 2-433	
	Coins	\$ price	meisviupe 2
	Maplelan	448-451	26012-26312
	Britannia	445-451	260 -2-263 -2
	US Eagle Angel	445-451 444-449	250 12-253 12 250 14-252 14
	Krugerrand	432-6	252 7-254 2
	New Sov.	102-103	6912-6014
	Old Sov.	102-103-2	5012-6012
	Noble Plat	541-547.3	314,7-318.4
_	Silver fix	p/fine cz	US cts equiv
	Spot	897.00	882.25
	3 months	407.90	996.70
	6 months 12 months	418.90 440.50	711.85 742.45

LONDON METAL EXC	HANG	TEA		TIO
Aluminium (99.7%)	C	alls	P	uts
Strike price \$ tonne	Sept	Nov	Sept	Nov
2400	235		118	
2550	161		190	
2700	105		282	
Altuminium (99.5%)	C	alle	P	uts
2450	148		98	
2600	81		175	
2750	40		283	
Copper (Grade A)	C	alis	P	ų ts.
2000	140	165	37	90
2700	82	117	78	139
2200	43	79	136	199

GOLD		oz.; \$/troy o	NZ.	
	Cione	Previous	High/Lo	
Aug	431.5	434.4	454.D	431.2
Sep	43£1 436.9	437.1 440.0	489.4	0 436.5
Dec	442.5	445.6	445.0	442.0
eb Nor	445.2 453.9	451.3	450.4	448.9
kun .	459.7	457.1 463.0	462.5	462.5
W	465.7	459.1	0	0
ct	471.7	475.2	473.5	473.5
PLAT	ROUM 50	roy oz; \$/tm	by oz.	
	Close	Previous	High/Lo	
Oct	524.8	533.1 539.9	529.5	522.0
Јеп Арг	531,3 538,4	547.0	0	529.5
Jul	545.9	554.5	545.0	545.0
Oct	553.4	562.0	0	0
M,VE	FR 5,000 to	ruy oz; cent	a/troy oz.	
	Close	Previous	High/Lo	₩.
Aug	679.2	686.7	0	0
Sep	684.0 689.3	691.5	693.0	682.8
Dec	699.5	707.2	708.0	696.0
Jan Mar	704.7 715.0	712.4 722.9	725.5	714.0
May	725.5	783.4	0	0
Au l	736.8	744,7	745.0	741.0
Sep	748.0 785.1	765.9 773.0	752.0 770.0	752.0 770.0
COPP		lbs; cente/		
	Close	Previous 90.20	High/Lo	89.10
Aug Sep	89.35	90.45	01.30	80.40
Sep Oct	85.70	88.55 87.75	0 .	0
Jez Jen	86.50 85.75	87.75 86.85	89.75 O	85.35
Ver	84.30	85.05	86,30	65.00
Vay	83.70 83.20	84.30 83.70	84.50 83.90	84.50
le l	82.70	83.10	0	0 .
Sep			83.30	83.90

CRU	DE COL O	(abn 42 00	O US gadis	E/herrel	Cł	·ic
	Latest	Previou				
Sep	15.90	16.08	18,06	15.82	- 80Y/	MEA
Oct	18.04	18.20	16.20	15.95		C
Dec	16.14	16.40	16.31	16.06 16.18	Aug	84
Jan	16.30	16.40	76,45 - 16,47	76.25 16.35	Sep Nov	84
Mar	15.43	16.55	16.46	16,35	- Mar	85
Apr	16.46	16.58 16.61	16.46	16.46	May	84
_	THE OIL	(2,000 US	galis, cente		_' Jul	84 01
	Latest	Previou			SOYA	JEA
Sep	4406	4512	4530	4465		Cł
Oct Jan	4560 4725	4671	4595 4765	4526 4725	Aug	27
Mar	4520	4544	4540	4510	Sep	27
Apr	4450 4830	4452 4527	4450 4330	4440 4330	Dec	26 25
COC	DA 10 ton	nes;\$/tonn	•		Mar	20
_	Close	Previou	s High/Lo	THY .	- May	26 27
Sep	1472	1467	1488	1485	90Y/	_
Dec Mer May	1452 1494	1475	1494 1504	1476		G
May	1520	1510	1520	1467 1520	Aug	25
Jul Sep	1545 1578	1548 1570	1548	1532	Sep	25 25
Dec	1605	1601	1609	1596	Dec	25
COFF		7,500fbe; c			Jan Mer	25 24
_	Close	Previous			_ May	24
Sep	100.83	116.67 119.06	113.75	108.03		. 24
Mar	112.44	118,44 116,18	115.25 115.50	112.44	MAXX	E 6,00
Sept.	114.50	120.50	117.90	114.50		Ci
Sap	114.00	120.00 120.00	117.50	114,00	Sep Dec	30
SUGN	S WORL	911- 112	,000 lbs; ce	nte/lbe	Max	313
	Close	Previous			.' May Jul	31
Oct	12.25	11.63	12.30	10.15	Sep Dec	20
Jan Mar	11,82	10.60 10.71	10.50	10.50	WHEA	
May	10.90	10.40	10.90	9.90		Ch
Oct	10.50	10.00	10.50	9.50	Sep	37
COTT		; cents/lbs			Dec	36
_	Ciose	Previous			May	37.
Oct Dec	54.84 53.80	56.10 54,94	55.10 55.00	54.70 53.41	- Jul	36:
Mar Mey	54,21 54,68	55.50 55.90	55.45 55.80	54.60	LIVE	
Jul	55.45	56.00	56.25	55.35		Cle
Dec	58.10 58.10	57.45 57.25	56.10 . 57,10	55.76 55.80	Oct	65.6
ORAN	IGE JUICE	15,000 to	; cents/fbe		Dec Feb	70.0
	Close	Previous	High/Los		Apr	72.5
Sep	187,55	187.60	180.20	187.50	Aug	70
Jan	174.00	173.00	174.50	173.75	Sep	71.0
Mar	172.75 171.75	172.30 171.30	173.50 172.10	172.30 172.18	LIVE	004
Jul Sep	170.50 170.50	170.00	0	0		Cto
	170.00	179.00	ō	ŏ	Aug	45.
Nov			•		Dec	39.5 41.4
Nov						
Nov					Feb	
MOH	-				Apr	44.5 50.4
MOH		s: Septem	ber 18 1981	- 100)	Apr	44.5 50.4 49.4
MOH	ERS (Bee	July 29	ber 18 1981 mnth ago		Apr Jul Aug	50.4 49.4
MEUT	Aug 1 1863.6	July 29 1852.0	2010.0	1822.0	Apr Jul Aug PORK	44.5 50.4 49.4 Clor
REUT	Aug 1 1863.5 JONES (8	July 29 1852,0 446: Dec.	2010.0 2014 =	yr ago 1822.0 100)	Apr Jul Aug PORK Aug Feb Mer	44.5 50.4 49.4 Clori 32.1 52.5 52.5
DOW Spot	Aug 1 1863.6	July 29 1852.0	2010.0	1822.0	Apr Jul Aug PORK Aug Feb	44.5 50.4 49.4 Clor 32.1 52.5

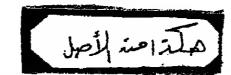
CI	nicas	30	47.5	
80Y	ABEANS 5	,000 bu min	couts/00R	bushel
	Close	Previous	High/L	DW
Aug	829/D 841/4	838/0	855/0	820/0
Sep	848/4	823/4	863/D 867/O	841/K
Jen	850/4	837/0	867/0	850/0
Mar	850/4	839/4 840/0	- 86640	849/
74	845/0	837/0	860/0 860/0	846/0 343/0
Aug	018/0	813/0	840/0	S18/0
SOY	ADEAN OR	L 60,000 lbs;	cents/80	
	Close	Previous	High/Lo	w
Aug	27.27	27.52	26.00	27.05
Sep	27.50 27.75	27.50 27.85	28.56	27.30
Dec	26.15	28.20	28.80	27.50 27.95
Jeen	28.25	28.35	28.95	28.20
Mar May	28.45	28.45	28.95	.28.30
Jul	27.60	28.40	29.00 28.50	25.30 27.60
	APEAN ME			
	Close	Previous		
Aug	259.2	261.2	264.0	
Sep	255.7	260.7	261.5	254.0
Oct	254.5	248.7	258,5	252.0
Dec Jan	253.7 251.5	247.7 246.5	257.5	251.0
Mar	249.2	244.5	256.6 255.0	251.0 249.0
May	248.0	243.2	252.0	247.0
Jul	247.0	243.0	250.0	248.0
MAZZ		min; cents/		
	Close	Previous		
Sep	301/0 307/2	290/0 296/5	305/0	296/0
Mar	312/0	304/6	313/0 016/0	303/0
May	311/0	308/2	31Z/4	309/0
Sep	308/2 286/0	295/4	316/0	307/0
Dec	270/6	281/4	. 295/0 281/0	206/0
WHE/	AT 5,000 b	u stin; cens		
	Close	Previous		
Sep	375/4	381/0	381/0	371/0
Mar	367/0	392/2 395/4	393/0	385/4
May	372/0	377/0	377/0	370/0
Jul	362/0	353/4	353/4	348/0
LIVE		0,000 lbs; ca	nts/ibe	
	Close	Previous	High/Lo	<i>u</i> .
Oct	65.05	68,17 68,30	05.85	66,90
Dec	89.65	70.65	87.90 70.60	69.56
Feb	70.67	71.30	71.40	70.50
Apr Jun	72.57 72.46	72.86	73,10	72,40 72,87
Aug	70.10	70.50	71.00	70.10
Sep	71.00	71.00	0	0
LIVE	1004 30,0	00 lb; cente/	1be	
Aug	Close 45.32	Previous '		
Oct	39.50	45.30 39.87	45.65 40.15	44.50 39.30
Dec	41.56	42.12	42.20	41.32
Feb Apr	44.8Z 44.30	45,12	. 45.40	_44,70
اجت	50.45	. 50.10	45.00 60.70	44.10 49.96
Aug .	49.45	49.25	49.60	<u>a</u> -
PORK	Close	S8,000 lbs; o	ents/to High/Lov	<u> </u>
Aug	32.15	32.62	34.20	S1.57
Feb	52,56	573,860	54.65	52.30 -
	52.18	53.60	54.26	52.15
				40 70
der dey lei lei	53.70 53.20	- 54.90 54,57	55.60 54.90 53.06	63.70 53.20



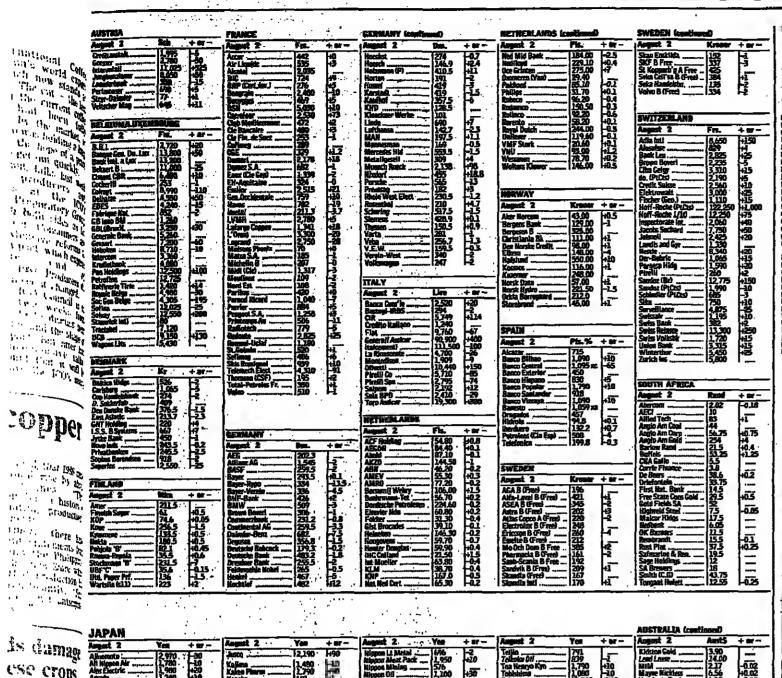
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president



WORLD STOCK MARKETS



	JAPAN		• •				I A	. W		I Amount to	-	4 55-	Liment 2	Amelé	1
is damage	Aspect 2	Yes	+=-	August 2	Ye= _	+ 87 -	August 2	Yes	+ 87-	August 2	Yes	+#-	August 2	AustS	+ 84 ~
re::150b	A Promoto	2.970	y 1-30	Just00	2,190	1490	Nilppon Lt Metal htippon Meat Pack htippon Mining	696	-20	Tellio Dti	791 839	5	Klaston Gold	3.90	
	Almorate All Rippen Air Ales Electric	2,970 1,780 1,980 1,240	10 10 120		1.480	120	Misson Meat Pack	1,450		Toa Hestryo Kyo	1700	Cia	MILA	2 17	-0 m2
ese crops	Alex Electric	3,980	+20	Kalima	1.790	100	Michola Manna	576	+30	Toblsidas	1,790 1,086	+500 +10 +10	Mayne Nickless	217 656 618	-0.02
- ch2	Arada	1,240	1+30	1 Kancijo	601	144	Nippon Oil :	1140		Toko	28 200	1200	Mat Anst Bank	638	0.02
0.77	Amano	1.620	- 10	Kanegafschi Chm	933	HE.		740	-3 +10	Tokai Bask	28,200 2,300		Hers	10.85	
* * * * * *	Ando Construct	815 2,540	+16 -10 -5 -26	Kansal Elect Power	3,170	超	Migeon Sello	740 840 864 1,200	+10	Total Carbos	1647		Moranda Pacific	3.20	-0.01
, JE	Anki Corp.	970	Len	Kantal Palet	100	100	Micron Sh Glass	864	+8	Tokio Marioe	2,090	27	North Bikn Parl	3.20	-0.01
110.031	Arabban (III	5,750	+50 +10	Kas Corp	683 1,840 1,800	#	Hippon Shiston		-10 -13	7oto B casting	2,090 2,500 5,990	HSIO	Oakbridge	0.29	+0.01
	Asabi Chendraft	1.070	1110	Kanataki Seary	737	10	Pippon Steel	-1777		Tokyo Electric Par	3110	200	Pactic Duniop	4.4B 2.02	0.05
10.3		1,950	-25 -16	Kashkuwa Kanasaki Heavy Kawasaki Steri	685	200 A	Nippon Salas Nippon St Glass Nippon Shatpan Nippon Shatpan Nippon Shat Nippon Yosu Nippon Yosu	732	277	Totyo Gas	1 240	10000000000000000000000000000000000000	Pleaser Conc	326	-0.02
100	Altyrigh Hylon	1,120		. Kidoman Shope	1,110	1-00	Michiganton Cons	758 745	+10	Tokyo Rove	1.240 2,740	-10	Placer Pacific	2.51	-0.02 +0.11
1.4.15	Bank Tokyo	3,598	10	Kield Elect	2.560	152	Missan Moler	1,280	+30	Tokyo Repe	3.910	+90	Poseidon	230	
1001 : 6 100	Baren Pharm	7.470	+30	Kirls Bresery	2,050	He	Missel Saggeo	2 070	40	Tokyo Style	1.770	-10	Queenstand Coal	1.23	+0.03
and the second	Brother lads	1310	+20	Kulto Mfg	554	Die.	Misshin Floor	1,440 910	+30 -40 -10 -15 -10 +20	Yokyd Car	1,110	-50	Smith OLJ	4.40 3.60	-0.05
i in c≈		100		Kolone	3.650 3.090		Maddin Oil	T- 1910	L15	Tolord Corp	1,480	+100	Thos Ratwide	4.65	-0.02
300 mg	Calpis Food	1,470 1,460 3,200	-30 -30	5 KAMMATS	785	18	Missin Food	- 1,220	125	Tokyo Land	1,000	-20	Zooth	900	70.02
	Canon Sales	1 200		Koraksten Stadiom	1,680	-	Mitto Boscid	3,750	Li	Your	905	+30	Varngas	280	
a trig	Carles Constructor	1300	+20	Korakuen Stadigen	3,760	1999	Nomera	4,040	150	Yorar	1.160	-10	Western Mining	6.40	-0.02
	Central Glass	740		i Kalifeld	711	1	Storitale	1.210	450 110	Toshiba Machinery	675		Westpac	6.60 1.80	+0.06
e di la compani la com	Chiyoda Chem	853	136	Karregal-Gami	1.010	Here's		'le ere		70to	2,120	-50 ·	Woodside Petrol	1.80	
_	Chatra Elect Per	3.230	. 1-70	Kareta Chemical	1 110		Odnicys Elec Rity	1,060 972	140	7ayo Construct	700 846		Woolantiks	3.31 190	+0.01
	Chagal Pharm	1,630	1-3	Mindrey :	1,850	1	Ohbayashi Cumi	1370	130	Toyo lak	600	2	Wormald lot!	TAD	'-
- P. P.	Citizen Watch	846		1 Kento Ceramic	6170	1-400	Old Electric	1670		Toro Rubber	2,860	30	HONG KONG		
the Continue	Dakei Chemical	575	13	Kyowa Hakim	1.530	M20	Olema Mach	11180	-20	Toyo Soda	719	411			
To be to be about	Deldo Steel	720	1.20	Cler	1.110	1-30	Okumura-Comi	1.010	-20	Togetz Motor	2,960	사무무장	August 2	H.K.\$	+ er -
	Datel Kee Bank	2,300	+50 -10				Otympos Onoda Cement	1,140	130			_	Bank East Asia	17.70	-0.2
	Daileig Indi	3120	120	Marris Construct,	1,300	+20	Onoda Cement	968		UBE Inds	575 522	+5	Cathy Pacific	9,00	101
	Dailiyo Karriso	1,080 2,950		Makita Fleet Wk	1710	-40	One Plants	5,700 1,350	+20 +10	Unitike	1,522	1-6	Chesne Kong	7.75	
* A *	Dat History let	799			ã.		Orient Flamme	3 450	120	Victor	2,340	1-30	China Light,	17.50	+0.01
****	Dai Hippon Ptg			Marstell	1.250		Osaka Gar	3,450	4	***************************************	2,570	1-50	Hang Lung	0.53 5.30	
	Dalkhowa Paper pomoto	2,180	+110	Marsi	3,080	+10				Wacoal	1,140	1	Hang Seng Bank	30.50	
	Datwa House	2,110 2,610	H170	MEI	2,990	-60	Penta Quan Con	840	-10		- 10	•	Henderson Land	5.35	
	Dalus Sec	3,290	-10	Marie Hotors	2,040	-60 +40 -14	Planeer	15,720	F-00	Vanada	1.530	-30 -30 -30 -30 -30	Rongkong Chies	16.90	[==
• Programme of the second	Denny's	640	-20 -25	Marda Motors	1.000	5	Broom	_ (930	las .	Yamalchi Sec	2,000		HK Electric	7.50 8.50	+0.05 -0.05
141.070	Elera	930	145	Meili Milk	915		Ricolt	1_320	-20 ·	Yamatake H yeell	4,060 1,840 1,460	130	HK Laud HK Shangkai Bank HK Shanghai Hotels		
	Ekal	7040		Minday	965	-4	Royal Co	12,600	+20	Yamato Trans	1.460	140	HK Shangkai Bank na	6.20 5.05	+01
the first of the state of the s	Eraki Gilko	2.060 1.220	+10	Minoita Carpera	780 '	18		[2.100	1.00	Yamazaid Baking	1,510	+30	HK Telecogyns,	6.70	-0.05
	Fance	6,790	I-100	Milcone Horney	2,000	14110	Santyo	1300	-10	Yasada Fire	1,090	*****	Hatchisos Wpa	9.50	+0.05
STON CRE For		3210.		M bish Back	2 960	-60	Sacratti	4,710.		Vasutawa Elect.	775 820	-5	Jardist Equity P	12.80	
	Full Bank	3,910 3,910	110	M'bishi Chem	1,080	110	Sanara Bank	+2.680	- 190	Yokshama Robber		#4 #10	Jardine Math	13,70	===
1	Fall Film	3,910	1-10	M. Predi Code	1150 975	-5	Sango Elect	780	-5	Yusca Battery	1,200 874	+10	Rew World Der	111.70	-0.1
	Full Heavy Ind	673	144	M'hleb! Forste	2.520	1620	Sapports	1,650	H-30	Librar Derrora sessent	or3	TELL	SHK Props	11 20	-0.0r
Sec. 25. 15. 15. 15. 15. 15. 15. 15. 15. 15. 1	Fullston	1280	150	Mr bishi Estate	730	114	200000	6.400 2.300 1.250	-110	AUSTRALIA			Swire Pac A	1920	10.1
	Fultsu management	1 220	200	M'hhid Metal	970	+12	Selgra Stores	4300	+50 +30 +70		- 40		TV-B	13.40	10.1
医多种 化二十二十二十二二十二二十二二十二二十二十二十二十二十二十二十二十二十二十二十	Fundama Elect	1,820 8)5	16	M'hbbl Metal	636	+32	Sekisal House	1,790	170	August 2	Austs	+ 87	Wharf Hidgs	R 30	-0.05
	Green Cross	1,910	Lin	M'bishi Mee Cross :	616.	124	Settou Paperboard	975	144	A.F.P	1,08 6.90	_	Wincorlos	9.55	-0.08
	Gin-El Octo	830	10 130 20	M'bishi Oil	789 866 1,470	100	Street-Elever	7.30D		Adelaide Stewns	6.90	+0.1	World Int. Hlags	3.80	I-0.98
	Game	1 200	20	M'bishi Paper	1.470	10	Shirelan Construct.	1,230	1-30	Arizor Aust	4.95 0.21	-0.05 -0.03 -0.03	-		
N20	Haurcaura Kneu	1.170	1.10	APhical Plactics	770	1420	Shimizu Comptruct.	1,020	1495	Ashion	1 55	Cons	SINGAPORE		
11. 12. 11. 11. 11. 11. 11. 11. 11. 11.	Hatteri Selleo Hetyza Rea/ Est	2.020	-10	M*hishi Rayon	140	+5	Shin-Eisn Oven	12,920	95 45 45 45 45 45 45 45 45 45 45 45 45 45	1 Amel Mat Inde	2.06	10.03	August 2	SS	+ 61-
-	Hetwa Real Est	1.740	· -30	M'bishi Tst	3,140	-30°.	Skiseldo	1780	Cin	AAIZ Groop	4.66 XT	-0.02	Boustead Hidgs	1.54	
V. V.	Hip Motors	940 5,100	10 12 12 12 10 12 10	M'hkhi Warstor,	1.560 2.290	+5 -30 +10 -19 +18 -35	Chaum Stumbaltura	82B	20	AAZ Group	2.06 4.66 xr 2.63		Cerebos Pacific	154 656 498	+0.35
	Hirase Electric	5,100 2,010		Mitsul Co.	1950	Lin	5 Shorra Deuko	920	-20. -6	Belj Resources: Boad Corp Hidgs Boral	278	+0.05 -0.04 -0.08	Cold Storage	4.98	-0.02 -0.05 -0.15
	Hitachi Cable assume	2 000		Mitch Mister	900 660 1,390	-35	Secor Brand Milk	1,270		Roug Cout House		-0.0¢	OBS	9.00	HQ.05
	Hisachi Credit	1540 2 410	+iō	Mitsel Mining	1,390	-	Sony	6,950	1 100	B'ville Copper	5.02	-0.03	Fraser & Neave	9.55 5.65	强
	Myachi Maneli	2.410	-46	Mittui Siral Estata	12.330	+30	Stanley Electric		132	Brambles lods	4.22 10.60		Genting	400	CANE I
	Hitachi Metals	1.280 2.360	-46 -150	Missel Tontsu	DEC.	+30 +10 +35 +80	Scimitomo B' lite	3670	180 -20 -22 -30 -22 -120 -120 -120 -120 -120 -120 -120	Bridge Oil	1101		Hone Learn Fla	298	-0.08 +0.14
	Hooster Paper	2,360	200	MKSH Watter	930	- 135	Semitowo Bank Sumteomo Cemmat	3,670	1.2	I RND	8.50 0.84 3.60 9.66	+0.05 +0.05 +0.05	Hong Leony Fin	298 6.55	-01
	Hoosin Paper	1665	1.2	MRSHOSM Blett	1.860 1.150	100	Sunftonio Chem	1.030	120	BHP Gold	0.64	1+0.01	Keppei Corp	3.12	+0.04
1.0	House Food Ind	2,050	150	MINOR Sporting	f. 150 .	+70	Samitomo Corp	- 1338	-1D ·	Burus Philip	3.60	H0.05	Malayan Banking	5.30	-0.05
	Heya	2,700	1 00	Migraeo Sporting Mochida Pharts Marianga Milk Mareta Mig	1,420 4,790	140	Camilinasa Flaci	1,500	j-50	CRA	4.72	-0.04	Majayan Utd Ind	141	-0.01
	Regard Touth	1,000 1,490 2,410 713	-20	Marinaga Milk	607	120	Sumitores Heavy	693		CSR	1.00	-0.03 +0.05	Maki Purpose	0.75 8.85	10.04
	ited Bank Japan	3277	+230	Moreta Mrs	2,980	-20	Sentono Marine	1,190	+16	Claremont Petro	10.30	70.02	OUB	388	+0.4 +0.02 -0.01 +0.02
		713	-2	MEC	2 200	Lon	Sandtown Met Mar	578	#60	Coles Myer	9.90 4.65	-0.02	Public Stant	139	Con
	Ishikara Sargro	11.140	1	NCK lectistors	1300	-000	Comitono Sealty	1 390		Comples A	4.65		Public Bank	3.36	+0.02
	Issue Motors	797	1-1	NCK legistors	1,300	12	Semitono Noring Semitono Met In Semitono Het Ma Semitono Sealty Semitono Tr & Nt.	1.400 1.390 3.120	+20	Consolidated Pet	0.32	0.02		1.39 3.36 12.30	-
	Hower	77	F2_	MIKK Corp.	669 765 808	72.	Sumid Motor	1742	1-3	Costain Aust	3.00 3.35	+0.04	Singapore Press Straits 7rading	7.80 3.84 3.26	0.25 -0.02 -0.08 -0.05
	Itobara Foods	1,350 4,400 1,010	-20	Mild Joho gals	/65	Can	TOP	5,320	Las	Elders IXL	13.20		Straits 7rading	3.5	-0.05
	No Yokado	1777	Libra	Military Despess.	543	ES.	Takel Com	828	-80 -12 -10	Gen Prop Trust	279 275		Tat Lee Bank	326 540	10.06
T			1.400	Militaria Eng		Con	Takeho Maries	1 770	-10	Condinate Firther	(2.57	10.02	000	13340	בעעטרו
	JAL	14500	1400	Milcon Corp.	1.990	-40	Talsho Pharm	120		118 OR W/	4.4-	ODI			
	Japan Radio	1550	-30	Misson Done	2100	15.00	Tatyo Fishery	570	146	Hartogen Energy	145	-0.03	NOTES - Prices on this	PAGE ALE	e decitat en
and the second second	Janan Steel Witt	301	14	Nippon Express	1.170		Tatyo Kobe Bask	1,450	1	ICI Asst	1.87	1988 1988 1988	NOTES - Prices on this the individual exchange prices. (a) anavallable.	5 and are	last traded
, •	Jan S Raftery	14,000 1,150 1,500 601 620 1,160	10	Hippon Egyras Hippon Caldi Hippon Hode	2270	180	TDK Taisei Corp Taisen Alarine Taisho Alarine Taisho Flatra Taiso Flatra Taiso Kote Bank Taitara Shuzo	1,450 B60 2,750	+1	MANAGEMENT	916	-0.03	prices, im goardianie, and Ex dividend, at Exac	TOTAL HIST	- Ex clober
	Japan Synth Rbr	7,760	1130	19000 190do	7770	1.50	Takele	···]출/28	1-10	Jones (Darid)	345	1 —	na Ex all.	· WILLIAMS	CT LIGHT
	Julo Paper	1879 .	144	I Milliam project and the		F-900	* Janes 2000 11	_, , ,,,,,,,	- 40			-			
- 1															

INDICES

		<u>.</u>			 .			IND	ICES					
NEW YO	RK		DO	M JO	NES				1	Arg.	Aag.	July	July	19
	Aug	361	. see	-		1906	Since co	apitation		2	1	29	28	ellegis
Aladustrials	2) 90 57	29	2082 33	27)(i)g	A1 1879 14	High 2722.62	Low .	AUSTRALIA AH Ordigaries (1/1/80)	1623.8	1624.6 836.5	1611.7 822.0	1600.1 818.4	1642.5 (18/7) 847.4 (22/7)
Home Boads	88.50	\$8.33	5R.25	88.27	15/7 11.2 13.0	20(1) 86.12 84/1)	Q5(8/87)	(2/7/32)	AUSTRIA Creek, Akties G0/12/840	196.90	196.30	193.50	190.00	196.90 (2)89
Transport	891.28 182.43	806,20 1,52,85	943.05 178.86	175.68	100 E		1101.16 114/B/801 227.83 (22/1/87)	9/1/30 10.30 9/4/32	BELGIUM Brossels SE (1/1/84)	4920.03	4922.8	4920.6	4903.6	5043.1 (9/3)
40ay's High 2146.16	(2133.00	10 Low 21	11.84 (2	84.280	VZ-19.	U Lane	vzquen	1 10191323	DEHMARK Copenhagen SE (SV1/639	227.31	227.69	227.05	225.26	227,69 (1/8)
STANDARD AND POL Composite :	272.21		1	262.50	器	D: (200)	396.77 (25/8/87) 9(3.17	0,652	FINLAND Valus General (1975)	766.1	763,3	761.0	760.9	766.1 (2/8)
Fluencials	313.95 25,14	313.98	24.32 24.32	303.15 23.97	1000	27/84 20/10 20/10 20/10 60/10	C25/6/87) C25/6/87)	22/6/325 8.64 0/10/740	FRANCE CAC General (31/12/82) [ed. Tendance(31/12/67)	359.0 134,4	357.9 134,4	354.5 133,3	352.4 131.8	368.5 (B)71 137,6 (7)7)
NYSE Composite Amer Mid, Vajur MASDAG OTE Comp	153.52 306.73 388.00	153.35 306.18 367.33	150.40 303.63 384.00	148.74 362.85	30 S	5 134.72 2000 3 2000 3 262.76	187.99 (25/6/87) 346.01 (13/6/87) 465.28	4.46 25/4/42) 29.31 (91.2/72) 54.87	GERMANY FAZ Abdas (31/12/58) Commerciank (1/12/53) DAX (30/12/87)	489,42 1491.3 1184.21	490.30 1491.9 1189.60	485.90 1477.9 1181.72	480.53 1460.6 1166.00	495.70 (8/7) 1507.3 (8/7) 1199.96 (5/7)
accordances	300.00	<u> </u>	29	Jol 2	08/	n 132000 Jul 325 l	(25/5/87) year ago (03/20/72)	Hong Kong Heng Song Bank (31,77,640	2701.09	2703.42	2678.92	2463.45	2772.53 (12/7)
Dow Industrial Div	Yield .	3	51	3.62		3.51	2.6	8	ITALY Banca Copp. Wal. (1972)	539.29	538.89	532.65	528.41	545,07 (18/3)
S & P Industrial di S & P P/E ratio	v. yleid .	3	27 23 1,74	Jul 2 3.12 14.1		3.13 3.13 14.10	year ago (2.4 23.	0	JAPAN Mitchel Q6/5/49) Toloro SE New (4/1/68)	28366.35 2253.10		27933.63 2224.58	27796,09 2195.84	28366.33 (2/B) 2253.10 (2/B)
TRADENC ACTIVITY		filloni ul 29	1 Volum	` ;	asset Tra	A)	EW YORK og 1 Jul 21 962 1,955	1,925	NETHERLANDS ANP-CBS General (1970) ANP-CBS (which of (1970)	280.2 235.4	292.1 236.4	277.8 234.0	273.7 232.1	282.1 (1/8) 236.4 (1/8)
	8 3/50	142.340	254.57		tices Talls Jackney		811 11版 659 艾 462 447	510	NORWAY Odo SE (4/1/83)	419.59	418.77	415.79	415,67	423 JA (21JT)
OTC	8,800 5,968	20.027	7.57 116.25		lev ligi Lev Low	S	31 2	15	STREAPORE	1160.83	1162.20	1143.41	1136.34	1162.20 (1/8)
CANADA	1 ~	' '	~ }				1985		SOUTH AFRICA ISE Cold (28/9/78) ISE Industrial (28/9/78)	1334.04 1675.04	2335.0 2676.0	133L0 1685.0	1334.0 1708.0	1451.0 (7)71 1758.0 (20)71
Metals & Minerals	1 1	1	DL6 2	28 966.3 350.4	27 2934.4 1111.5	3226.5 (5) 3465.4 (5)	7) 223	1.0m 8.7 (8/2) 7.9 (8/2)	SPANN Manyor SE (30/12/85)	296.42	295.77	292.86	291_49	303.63.05/60
MONTREAL Particles	- E		844 1		134.88	1721.71 6		06 (27/II)	SWEDEN	3079.93	3062.20	3060,00	3041.60	5062.20 (1,6)
NEW YO	RK	ACI	NVE	ST	OCI	KS			SWITZERLAND Swist Rank Ind. (31/12/58)	565.3	ы	542.1	541.7	555.3 (11/h)

Gillette	2 221,000 1 923,600 1 867,400	37.	25	1001	1,084,000 1,076,500	125 L 46 L	*
Base values of all laster	s are 100 most	K NYSE ALL	Constron	- 50; Standard and Po	ori-10 and	Torento C	orree.

454,5 449.3 465.2 (15/6)

457.2

OVER-THE-COUNTER

Nasdaq national market, 2pm prices August 2

VSIFS.
VSIPS.
VS

Travelling on Business? Hotel Cravat, Holiday Inn, Intercontinental Hotel, Hotel President

FINANCIAL TIMES

	101			Active Sto August 1988	Cics		
Nippon Steel	Slocks Traded 58.26m	Closing Prices	On Day + 13	ehikawa ms-	Stocks Tra0ed	Closing Prices	
Mosubland Heavy	58.75m 38.72m	1,130 976	+ 100	Morima Heavy	19 16m 18.40m	1.140 2.010	uct
Kawasaiu Stoel Keisei Einc Rail-	29.17m	68540	+ 15	Nkk	18 39m 17,77m	569 1,160	+4
way	25.37m	1,980	+30	Dalwa House Ind	16.44m	2,110	+ 110

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1170.7 (10/2) 532.4 (10/2)

163.90 (11/2)

3608,35(4/1)

180.48 (4/1) 530.6 (15/1) 251.3 (29/1) 89.7 (29/1)

396.40 (29/1) 1207.9 (29/1) 931.18 (26/1)

2223.56 8670

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NYSE COMPOSITE PRICES | Table | Tabl

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AMEX COMPOSITE PRICES

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Fragile Dow drifts despite promising economic news

Wall Street

EQUITIES continued their sideways drift, failing to take heart from a more positive performance by the bond market, writes Janet Bush in New York. At 2pm, the Dow Jones Industrial Average stood 3.55 points lower at 2,126.96 in active volume of 106m shares.

Meanwhile, US Treasury bonds built on Monday's gains to be quoted up to ½ point higher in long-dated maturities. The Treasury's benchmark long bond stood & point higher at midsession to yield 9.11 per cent.

Stocks had started the session modestly higher, cheered by news of a downward revision in leading indicators in May and April.

June's leading indicators rose by 1.4 per cent, which was in line with expectations. However. May's indicators were revised to a fall of 0.8 per cent from the 0.1 per cent decline originally reported and April's increase was revised to 0.3 per cent from 0.5 per cent.

The figures were seen as evidence that inflationary pressures might be less than previously thought

A sign of the fragility of the stock market after last week's 68-point rally came as equities dipped back on stronger economic news later in the morning, while bonds built on their gains in spite of the subse-New factory orders rose 5.5

CORPORATE news and speculation again kept interest

alive in holiday season trading.

with most European bourses showing only slight move-ments on the day. Finnish

sbares proved the exception with another new high, writes

PARIS moved slightly higher, again in relatively low

volumes, keeping an eye on

Wall Street in the absence of

domestic market-moving news.

opening prices, was up 1.1 at 359.0, and the closing OMF 50

index rose just 0.08 to 357.02. There were gains again for

privatisation stocks as inves-

tors awaited news on govern-ment moves to weaken hard

core shareboldings. CCF, the privatised bank, climbed FFr5.50 to FFr132.50 while

Societé Génerale found FFr16

to FFr378. Glassmaker St Gohain was FFr1 higher at

FFr520. But Agence Havas saw

profit-taking after a strong climb, and fell FFr19 to FFr702. News that Fiat of Italy had

acquired a 14 per cent stake in

Précision Mécanique Labinal pushed the aircraft and car

components maker up FFr23 to

FFr943, with 44.275 sheres traded. Labinal chairman Mr Amaury Halna du Fretay said

the move was inopportune -Fiat said it had no intention of

Materials group Lafarge rose

FFr18 to FFr1,341 on positive press reports and retailer Car-refour, which has underper-

formed for a long period, climbed FFr73, or 3 per cent, to

MILAN began well, hit profit-taking, and then recovered to end slightly higher, with blue chips especially favoured.

The insurance sector, which has been featuring in local bro-

kers' reports, was again in

demand, with Generali up L400

Fiat was also strong during the day, easing back to close L67 lower at L9,760, then rising

at I.90.900.

NATIONAL AND REGIDNAL MARKETS

Figures in parentheses show number of stocks

Canada (129)

Canada (129)

Oenmark (39)

Finland (26)

France (129)

West Germany (100)

Hong Kong (46)

Hong Kong (46)
Ireland (18)
Italy (102)
Japan (456)
Malaysia (36)
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North America (710). Europe Ex. UK (689)..... Pacific Ex. Japan (218).... World Ex. US (1890).... World Ex. UK (2146).... World Ex. So. Af. (2411)... World Ex. Japan (2015)...

The World Index (2471)....

Europe (1014) Pacific Basin (674) Euro-Pacific (1688) North America (710)

Norway (25)... Sinoapore (26)

Austria (16)

increasing the stake.

The CAC index, hased on

Our Markets Staff.

per cent in June compared with a revised decline of 0.7 per cent in May. Single family home sales rose by 8.4 per cent in June following a revised 0.6 per cent fall the previous month.

The pattern of the last few weeks has been that the equity market has risen a number of times to ahout 2,130 on the Dow and faltered. The index peaked at 2,158.61 on July 5 and then declined steadily. By July 15, it had clawed its way on another decline. Last week's hefty rises took the index back up to 2,130.51, where it closed on Monday.

Stocks do not show any sign of being able to break out of this trading range, in spite of the release of some encouraging corporate results and the fact that the market has already built in fears shout higher inflation and interest rates into its perceptions.

By contrast, the bond mar-ket has looked reasonably resilient and the yield on the long bond dropped from well above 9.25 per cent to 9.1 per cent at midsession yesterday.

Among featured conities was Pillsbury, which has been at the centre of takeover speculation. It jumped \$1% to \$38% on reports that New York property developer, Mr Donald Trump, had bought a stake in the company and filed for clearance to build his interest

THE SUMMER doldrums

took their toll on trading and

share prices drifted lower,

with the FT-SE 100 index fall-

International stocks saw

to L9,795 in a positive after-

hours reaction to its stake in France's Labinal.

L9 lower at L1,909 but picked

up to L1.925 after bours, while

Olivetti added a further L150 to

L10,440. The Comit index edged

HELSINKI continued its bullish trend with a 0.4 per

cent rise to its second consecu-

tive all-time high. Trading was

moderate and the continued

optimism reinforced mainly

from abroad. The Unitas all-share index rose to 2.8 to a

Nokia free shares rose FM3 to FM183. According to one

analyst, there are differences

rise in the securities repur-chase rate to 4.25 per cent made little difference to shares

and the FAZ ended 0.96 lower at 489.42 while the real-time

DAX closed 5.39 lower at

1,184.21. Volnme was DM2.08bn.

DM428.90 after announcing a 2

per cent increase in nine-month profits, described by

one specialist as "respectable,

but not as good as some people

were expecting". Nixdorf climbed DM18.80 to

DM455 on buying by a West German and a Swiss institu-

MONDAY AUGUST 1 1988

Sterling Index

128.23 74.83 97.84 107.99 109.72 111.08 80.28 65.04 95.12 118.18 63.58 131.98 135.07 92.44 69.29 105.33 115.78 99.83 127.95 103.37

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Oay's Change %

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+0.7

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US S index), 90.791 (Pound Sterling) and 94.94 (Local), Copyright, The Financial Times, Goldman, Sachs & Co., Wood Mackenzie & Co. Ltd.1987 Markets closed on 1 August: Canada, Ireland and Switzerland. Latest prices were unavailable for this edition.

105.98 166.27 142.15 111.62

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FT-ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co.

Ltd.. in conjunction with the Institute of Actuaries and the Faculty of Actuaries

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146.82 85.89 113.50 124.50 128.21 130.53 92.60 74.59 108.95 137.01 72.63 167.32 151.12 153.83 105.48 79.51 120.96 131.12 120.06 146.81 118.26 77.29 132.32 110.76

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Siemens edged up 10 pfg to

Chemical Montedison ended

London

ing 6.7 to 1,855.5.

up 0.40 to 539,29,

record 766.1.

North Carolina National Bank continued its climb as the market showed confidence in the management's ability to absorb the main operations of First Republicbank. It added

another \$1% to \$26%. Texaco added \$1/4 to \$47% after the company said it was seeking a buyer for its 78 per cent stake in Texaco Canada. Heck's, the discount department store, dropped \$1 to \$%. The company said it would

cancel all common stock under a reorganisation plan filed in the Federal Bankruptcy Court. In over-the-counter trading, Seagate Technology dropped \$1% to \$10% after the company said it might not be profitable in its first quarter, anding Sep-

Sun Microsystems rose \$1% on the OTC market to \$38% on news that its net earnings rose to 66 cents a share in the quar-ter ending June 30, compared with 39 cents a year earlier.

DECLINES on Wall Street pul-led Toronto stocks lower hy midday following the market's closure on Monday. The composite index fell 14.2 to 3,362.5 on moderate volume

of 10.4m shares. Texaco Canada jumped C\$2½ to C\$37 after Texaco Inc said it was looking for buyers for its 78 per cent stake in the Canadian company.
Polysar topped the active list, down C\$\% at C\$20\%.

poor turnover again, with

some facing limited profit-tak-ing and others seeing selective demand. ICI, up 3p at 1,047p, was encouraged by reports of New York ADR buying.

tion which are thought to be

expecting good half year fig-ures from the computer com-

Construction stocks bene-

fited from reports of good pros-pects for the sector. Hochtief added DM12 to DM482, with

interest focusing on a chart

hreak-out for the stock which has been static around DM450

for a few months hnt has risen to the DM480 level in the past week, according to one analyst.

He said the prospect of an end

to the Gulf War was also posi-tive for a company which has traditionally been strong in the

Bonds rose 20 to 30 pfg, with the yield on the 6½ per cent 1998 federal bond at 6.76 per

cent after 6.80 per cent.
AMSTERDAM had a fairly

pany next week.

Middle East.

Elderly bourse displays a youthful vitality

Dublin

London is consulted before a

company is given a quote on the main market, the USM

(unlisted securities market) or

nies markets. The Irish Stock

Rychange committee however.

has the final say on all mat-

The market is currently cani-

The six leading Irish compa-

es, including Jefferson Smur-

fit, Waterford Glass and Allied Irish Bank, exert an over-

talised at about I£5.9bn (\$8.5bn)

and covers about 80 shares.

ASIA PACIFIC

the third and smaller compa

MARKET PROFILE whelming influence on the market, accounting for more he Dublin Stock Exchange, which began trading at the end of the 18th century, is one of the oldest in Europe. It is also one of the most volatile. any (102) anan (456) lalaysia (36) lexico (14) etherland (38) ew Zeafand (21) orway (25)

Since the beginning of this year, Dublin has shrugged off the dramatic falls of last October with a rise of about 50 per cent in the Davy's index, mak-ing it the best performer in

Europe. In the wake of the October crash, Irish shares fell by 44 per cent, compared with falls of 33 per cent in the UK and 25 per cent in the US, according to the FT-A World Indices. But its gains since then are well d of hoth London and New

York figures.
The Irish Stock Exchange has been officially operating as part of "the International Stock Exchange of the United Kingdom and the Republic of Ireland Limited" since last year. The London and Dublin exchanges, however, were amalgamated back in 1973.

SOUTH AFRICA

GOLD stocks in Johannesburg closed narrowly mixed yesterday after the financial rand strengthened in late trading following its sharply weaker opening. The low bullion price added to the market's uncer-

Vaal Reefs was unchanged at R290 after earlier reaching R298, Harties dropped 40 cents to R19.60 after hitting R20.50 and Freegold gained 50 cents to R29.50.

Diamond share De Beers added 20 cents to R38.60 and mining house Anglo American firmed 75 cents to R56.75.

Finland stands alone at new peak Philips gained 10 cents to Fl 31.70, but Akzo fell hack 80 cents at F1 144.50 after its F1 1.50 gain on Monday on anticipation of much higher second quarter profits, due tomorrow. ZURICH returned from the

Speculation in Insurance companies, fuelled last week

by competing bids for Lau-

sanne insurance company La Suisse, calmed down after bid-

der Swiss Life Insurance and

Pension Company said it would not boost its SFr12,000 a

sbare offer, following the increased SFr14,000 a share bid

from Mr Tito Tettamanti's

Saurer-Gruppe Holding. La

Suisse closed unchanged at

Retails and restaurant group

Merkur was suspended after

dropping SFr550 to SFr4,800. It rose about 8 per cent last week

on takeover rumours, with

Jacobs Suchard mentioned as a possible bidder. Suchard bear-

ers added SFr50 to SFr7,750.

long weekend to a quiet ses-sion, with recent excitement in the insurance sector dying down but shares ending marginally higher.

tive trading day. Nippon Steel, which is tak-

ing an 18.1 per cent stake in

than 50 per cent of trading — and the top 10 companies rep-resent about 80 per cent of capitalisation_

performance

main market, with 53 Irish gov-ernment funds and 22 Irish land bonds listed.

with members meeting twice a day – at 9.30 am and 2.15 pm – on the exchange floor. Trad-ing at both seasions usually lasts about an hour, followe by after-hours trading, which

The recent takeover and speculation involving two of these leading companies – Irish Distillers and Waterford Glass – have been important factors in improved market

Bonds are traded on the

Many of the old ways survive on the Dublin Exchange. A call system still operates

nishes at about 5.30 pm. Trading remains mostly paper-based, in spite of the existence of the Stock Exchange Automated Quota-

STOCK MARKET FACT CHART DUBLIN Market capitalisation: IES.9bn (\$1 = 69 Irish pence, E1 = IE1.19)

Market capitalisation: 123.500 (\$1 to the last part of shares listed: about 80 Top 10 stocks, percentage of market: 80% Trading hours: official — sessions issting about an hour 5.30 am and 2.15 pm; after hours — until about 5.30 pm Average daily turnover, second quarter 1988: 12160m. Main indices: Davy'e (53 stocks), Irish Times (about 50), tight Intercentage.

Current level of index (Davy's): 821.89; 1968 high: 863.12 (20/7); 1988 low: 549.90 (4/1) Settlement and of two-weekly account

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tion System (Seaq), as mem-bers prefer the traditional method. Settlement occurs at the end of each two-weekly account and delivery is physi-cal. Gilt transactions are settled the following day.

The banks are the higgest players on the market, but the statutory exchange anthority is made up of stockbrokers. Foreign investors face no restrictions on share ownership, but Irish investors have been restricted in the size of

their overseas investments since exchange control laws were imposed in 1979. The identity of a buyer must be revealed if a holding equals or exceeds 1 per cent. However, yra talks

d day

it is at the discretion of the Stock Exchange Committee whether such information is made public.
All shares carry voting rights and all dividends are paid net to shareholders.

Kieran Cooke

Nikkei hits high in nervous trading

Tokyo

LATE buying lifted share orices to an all-time high in Tokyo yesterday, although the market lacked vigour because of persistent concern over precariously high prices, writes Shigeo Nishiwaki of Jiji Press. The Nikkei average ended 40.02 up at 28,366.33, to reach a record high for the first time in about six weeks. Its high for

the day was 28,381.03 against a low of 28,244.61. Volume totalled 773m shares compared with Monday's 928m, and advances outpaced declines by 448 to 418, with 179 issues unchanged.

In London, Japanese shares edged lower with the ISE/Nik-kei 50 index down 1.75 at 1.598.33 from the Tokyo close. In Tokyo, demand centred on lagging issues with specific

Musical boxes manufacturer Sankyo Selki, dealing in which is the subject of a government insider trading investigation, soared Y200 to Y1,690, scoring a maximum allowable singleday gain for the third consecu-

Sankyo Seiki, topped the active list with 69.28m shares traded. finished Y13 higher at Y777. Tokyu Land was the second busiest issue with 58.75m shares changing hands. It ended Y100 higher at Y1,130, on a sharp increase in construction of condominiums at resort sites, prompted by the Government's resort develop-

Tokyu Land's strong performance inspired other property and housing issues, with Mit-sui Real Estate rising Y30 to Y2,330, Mitsubishi Estate Y20 to Y2,520 and Daiwa House Y110 to Y2,110. Retailers saw speculative

buying, and Isetan added Y230 Bond prices eased in the

absence of fresh news. The yen's firmness at Y132 against the dollar dissuaded dealers from active participation. Late heavy selling of the September contract on the bond futures market proved another disap-

The yield on the benchmark 5.0 per cent government bond, maturing in December 1997, opened at 4.935 per cent and then rose gradually to end at 4.955 per cent, up from 4.915 per cent at Monday's close.

The Osaka OSE average ended 31.30 higher at 27,615.21, on an estimated volume of 67.11m shares, down 29.2m shares from the previous day.

Toa Wool Spinning and Weaving surged Y70 to Y2,320 on prospects of record annual profits this year.

Roundup

THE LEADING markets in the Asia Pacific region closed slightly weaker, but the upward surge continued in

TAIWAN produced two more records, registering the largest single-day jump in the weighted index and a new high in share prices, after Monday's record turnover

The weighted index rose 168.96 to 6,384.81, helped hy demand for banks and plastic

HONG KONG was taken marginally lower by rumours of a rights issue by Henderson Land, and the Hang Seng Index

lost 2.33 to 2,701.09. Trading was suspended in Henderson Land and its affiliate, Wing Tai, provoking the rumours. Later, Baring Securities said it was handling a

Wharf lost 5 cents to HK\$8.30 before announcing after the market closed that annual profits were up more than 10

HK\$960m rights issue for Hen-

per cent and that it had revalned its net assets. AUSTRALIA edged down after late selling concluded a lacklustre day. The All Ordi-naries index ended 0.8 lower at 1,623.8. Volume was a light 91m shares worth A\$135m.

Weaker commodity prices left most resource stocks lower, with MIM active on 2.33m shares, easing 2 cents to

However, Bell Resources rose 4 cents to A\$1.78 on good huying support. It later emerged that investment com-puny Adelaide Steamship held an 11.44 per cent stake. There had been speculation that Adsteam was buying, possibly to block a planned reverse takeover of Bell Resources by Bond, Adsteam rose 10 cents to

SINGAPORE eased following poor performances in New York and Tokyo, amid selective huying and bouts of profit-taking. The Straits Times industrial index shed 1.80 to

of opinion between Finnish and UK observers on its 1988 profits, with the former expect-ing them to hold up well and quiet day, ending little the latter fearing they may be dented by recent acquisitions. FRANKFURT moved lower MADRID ended mixed in changed after early losses were reversed by the dollar's recov-ery from overnight weakness thin and featureless trading. The general index was boosted by gains in the banking sector and ended 0.65 higher at 296.42. in dreary turnover following Wall Street's Indecisive close and continued optimism about interim results on Monday and a slightly "After the hiccup of Philips Banco Bilheo-Vizcaya, last week, people are remem-bering that 1988 hasn't been at all bad," said one analyst. A weaker dollar. A quarter point

merged earlier this year, rose 10 percentage points to 1,090 per cent of nominal value hefore announcing a 35 per cent rise in first half pre-tax consolidated profits after the market's elecbetter start on Wall Street also helped sentiment, and the CBS all-share index finished unchanged at 98.5 after Monmarket's close.

day's strong performance.

The publishing sector was firm, with VNU rising F1 1.20 to F1 93 and Elsevier picking up 20 cents to Fl 60.30. There have been sporadic rumours that Reed International might take a stake in Elsevier. Food stock Wessanen added 20 cents to Fl 78.70 after its

FRIDAY JULY 29 1988

Sterling Index

107.91 111.12 113.14 80.26 64.65 94.44 118.75 62.95 145.02 130.99 133.33 91.43 68.92 104.85 113.65 102.50 66.99 114.74 96.00

91.28 142.31 121.90 96.63 76.73 109.64 121.25 111.15 111.50 95.37

market's close.

BRUSSELS closed narrowly mixed in thin trading.

Chemicals put in the best performance, while Arbed, the Luxembourg-based steelmaker, rehounded after its fall on Monday, rising BFr115 to BFr2,555. The company has easied more than 6 per cent in

DOLLAR INDEX

130.73 96.92 75.60 123.09 99.19

97.01 130.81 120.36 99.78 80.27 87.51 120.26 111.77

113.26 100.00

117.80 132.38 113.37 131.13

152.00 98.84 128.68 139.20 114.44

107.69 100.16 141.29 95.90 134.66 185.49 302.25 127.36 111.52 161.04 164.32 194.60 144.48 119.43 104.29 151.35 129.34

108.39 145.56 132.35 129.17 130.73 129.48

gained more than 6 per cent in about 8 week on purchases by small investors attracted by the steel industry upturn. ecquisition of two US health food distributors.

1988 High

128, 91 132, 72 139, 53 99, 62 80, 79 111, 86 144, 25 81, 74 117, 27 153, 47 180, 07 110, 66 84, 05 132, 23 133, 81 139, 07 164, 47 165, 75 164, 75 141, 18 112, 47

110.82 172.26 147.53 113.29 92.99 128.25 146.49 131.77 132.39 112.43

83.46 110.84

109.13 123.94 120.83 91.76 72.71 109.19 134.11 74.96 140.72 153.39 934.82 101.87 63.36 111.36 123.36 90.96 124.82 111.22 74.82 111.76

97.46 138.60 122.22 110.67 86.73 112.03 121.59 118.13 117.98 106.11

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We hereby ennounce that, until 6 p.m. of the 16th August, 1988, e period for submission of tenders is open for the prequelifaction of entities for the economic and financial assessment of public sector enterprises and technical assistance in view of the privetisation process, recently started by the Portugues Government.

interested entitles in pre-qualification should present their application in accordance with the regulations attached to the Minister's Dispatch published in the supplement of the official journal "Diaio da República", Il séri, of the 15th of July, 1988.

These regulations may also be consulted at the "Junta de Crédito Público" In Lisbon (Praça da Liberdade no 92. 4000 PORTO) during normal business hours.

Lisbon, 15th of July, 1988

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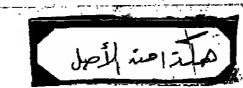
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